



QUARTERLY REPORT FOR DECEMBER 2013

HIGHLIGHTS

Kilba Project, Gascoyne region, Western Australia

- There were no field activities during the Quarter.
- The tungsten price (Metal Bulletin APT quotations) remains firm, with prices around US\$400/mtu.
- Gross proceeds of \$600,000 were raised during December for working capital.

Other Projects

- Evaluation of tungsten mining projects continued.

Tungsten Mining NL (ASX:TGN) (“Tungsten Mining” or “the Company”) is pleased to release its quarterly activity report for the quarter ended December 31, 2013.

Kilba Project

The next phase of drilling was planned in detail, and subject to funding, can be commenced during March, 2014, with the aim of improving the category of the Kilba Mineral Resource (Zones 8 and 11 only) from Indicated and Inferred Mineral Resource (30% is in the Indicated category and 70% in Inferred), to all-Indicated status or better.

This planned level of resource assessment is commensurate with the next development phase of the project, which is to produce a Definitive Feasibility Study and mine commitment decision by 3Q 2014.

The current resource statement for zones 8 and 11 at Kilba, as reported in TGN’s May 28, 2013, ASX announcement, is reproduced hereunder:

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

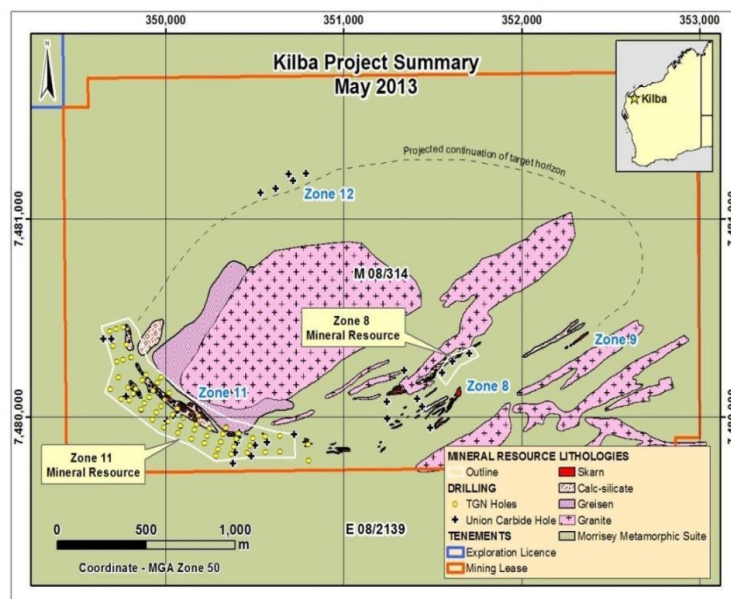
Zone	Category	Tonnes '000 t	WO ₃ %	WO ₃ t
8	Inferred	230	0.56	1,300
	Total	230	0.56	1,300
11	Indicated	1,300	0.30	4,000
	Inferred	3,500	0.24	8,500
	Total	4,800	0.26	13,000
Total	Indicated	1,300	0.30	4,000
	Inferred	3,700	0.26	9,800
	Total	5,000	0.27	14,000

The information in Table 1 is extracted from the report entitled "Maiden JORC Resource at Kilba Project" released on 28 May 2013 and is available to view on the ASX website (www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 market announcement.

At Zone 11, tungsten mineralization 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 mineralization is associated with retrograde skarn units which are often surrounded by low to medium grade disseminated scheelite mineralization in calc-silicate and sedimentary units.

Toward the east of the prospect, tungsten mineralization tends to occur in a single high-grade zone. In the central and western domains mineralization is associated with multiple shallow dipping low to medium-grade units, and in Zone 8, skarn mineralization 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 1:

Figure 1: Kilba Project, showing projected zones of mineralization



The drilling carried out to date by Tungsten Mining has demonstrated remarkably good continuity of the skarn mineralization, 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 completed.

Scoping Study

The Kilba Scoping Study (“Study”) was based on the Maiden JORC-2012 compliant Resource estimate as per Table 1 above that the Company released on May 29, 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 prime Study objective was to propose a likely project scenario and establish whether it would be in the interests of the Company to pursue such a project. Details of the Study were released on 12 and 19 June 2013, and indicate that progression to final feasibility study is warranted, to allow more detailed analysis.

Recent analysis of data indicate that upgrading of the ore, without grinding, by Dense Media Separation, would enhance project economics, by rejecting approximately 50% of the ore at low cost. This was reported on 24 and 30 October 2013.

Other Project Opportunities

Several tungsten projects both in Australia and overseas have been brought to Tungsten Minings' attention and are now being evaluated in detail. The Company recognizes that such opportunities may continue to arise within the tungsten sector, and that we may be able to add value by leveraging on our knowledge and expertise in tungsten mining. These opportunities will be evaluated on their individual merits, but with our primary focus likely to remain development of the Company's 100%-owned Kilba Project.

Corporate

Cash Management update

During the quarter, the company paid exploration expenses of approximately \$0.05M, and corporate or administration expenses of \$0.28M, against forecast outflows of \$0.5M. The cash position increased to \$0.54M at quarter end. Budgeted cash flow for the March quarter is \$0.2M, made up of project evaluation costs of \$0.05M and administration/corporate expenses of \$0.15M. Budgeted spend is not committed spend, and is subject to variation dependent on various operational factors.

Announcements

The following announcements were made in the December quarter:

December 20 2013	Appendix 3B and Appendix 3Y
December 18 2013	Appendix 3B
December 11 2013	Appendix 3B
December 5 2013	Appendix 3B and Appendix 3Y
December 2 2013	Release from Escrow
November 29 2013	Clarification to AGM Presentation
November 27 2013	Results of Meeting
November 27 2013	AGM Presentation
October 31 2013	Quarterly Activities and Cashflow report
October 30 2013	Scoping Study Update Clarification
October 28 2013	Notice of AGM and Proxy Form
October 24 2013	Updates to Scoping Study improves Kilba Prospects
October 10 2013	Escrow release Clarification and Amended App. 3B
October 9 2013	Appendix 3B

Tenement Summary

Country	Tenement	Interest held at 30 September 2013	Interest acquired / disposed of during quarter	Interest Held at 31 December 2013
WA	E08/1812	100%	N/A	100%
WA	E08/1865	100%	100%	0%
WA	E08/2139	100%	N/A	100%
WA	E08/2207	100%	N/A	100%
WA	M08/286	100%	N/A	100%
WA	M08/287	100%	N/A	100%
WA	M08/314	100%	N/A	100%
WA	M08/493	100%	N/A	100%
WA	L08/82	100%	N/A	100%
WA	L08/83	100%	N/A	100%
WA	L08/84	100%	N/A	100%
WA	E08/2382	100%	100%	0%
WA	E08/2383	100%	100%	0%
WA	E08/2448	PENDING	N/A	PENDING
WA	E77/1823	100%	N/A	100%
WA	E77/1824	100%	N/A	100%
WA	E77/1852	100%	N/A	100%
WA	E77/1853	100%	N/A	100%
WA	E77/1854	100%	N/A	100%
WA	E77/1855	100%	N/A	100%
WA	E77/2021	100%	N/A	100%

WA	E77/2022	100%	N/A	100%
WA	E77/2023	100%	N/A	100%
WA	E77/2035	100%	N/A	100%
WA	E77/2042	100%	100%	0%
WA	E77/2043	100%	100%	0%
WA	E77/2075	100%	N/A	100%
WA	E77/2076	100%	N/A	100%
WA	E20/669	20%	N/A	100%
WA	E20/812	PENDING	WITHDRAWN	0%
NT	E29616*	100%	100%	0%
NT	E29004	100%	N/A	100%

- *Denotes Beneficial holding of the Mineral Rights to Tungsten

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. 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 readily 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.

Tungsten is the right sector to be in, with sound fundamental drivers giving strong demand and firm pricing. 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 Ammonium Para Tungstate (“APT”).

China is also the world's largest consumer of tungsten. Escalating Chinese consumption, in conjunction with the ongoing demand in the world's principal economies, have 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 (WO₃). One mtu is 10 kilograms of WO₃ and is the standard weight measure of the tungsten trade. APT is an intermediate chemical 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 75-80%. 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.

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 of the company has previous experience in tungsten mine development and operations.

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 remain strong, and Tungsten Mining, with its experienced management and high quality assets in good mining jurisdictions, believes it is very well positioned to become a significant supplier of tungsten in a short time frame.

Visit our website at www.tungstenmining.com.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Tungsten Mining NL

ABN

67 152 084 403

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(49)	(180)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(324)	(698)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(324)	(698)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(324)	(698)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	600	600
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Listing fees refund and Equity Raising Costs)	(10)	4
	Net financing cash flows	590	604
	Net increase (decrease) in cash held	266	(94)
1.20	Cash at beginning of quarter/year to date	314	674
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	580	580

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

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

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+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

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

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Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	
4.3 Production	
4.4 Administration	150
Total	180

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	580	314
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	580	314

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E77/2042	Granted	100%	0%
	E77/2043	Granted	100%	0%
	E08/2382	Granted	100%	0%
	E08/2383	Granted	100%	0%
	E20/812	Application Withdrawn	100%	0%
	E08/1865	Granted	100%	0%
	E29616	Northern Minerals JV withdrawn	N/A	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	92,738,713	60,888,713		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	833,334 10,000,000 351,000 2,500,000	833,334 10,000,000 351,000 2,500,000	\$0.120 \$0.050 \$0.052 \$0.070	\$0.120 \$0.050 \$0.052 \$0.070

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	15,000,000 1,800,000	- -	<i>Exercise price</i> \$0.400 \$0.250	<i>Expiry date</i> 30 June 2016 4 December 2015
7.8	Issued during quarter	1,800,000	-	\$0.250	4 December 2015
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Director

Date: 31 January 2014

Print name: Paul Berndt

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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