

ASX Announcement

Tungsten Mining to acquire Hazelwood's Australian tungsten assets

Tungsten Mining NL ("TGN" or the "Company") is pleased to announce that it has agreed terms for the acquisition of the Australian tungsten exploration assets of Hazelwood Resources Ltd ("Hazelwood") comprising the Mt Mulgine and Big Hill tungsten assets ("Projects").

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

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

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

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

Acquisition Terms

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

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

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

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

Convertible Note Financing

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

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

Future Funding

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

-ENDS-

Craig Ferrier – Chief Executive Officer

26 October 2015

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Annexure A

Extract from the June 2015 Quarterly Report of Hazelwood Resources Ltd

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

The Trench (Mt Mulgine) JORC 2012 compliant				
Category	Million Tonnes	% WO ₃	MTU (Metric tonne units) WO ₃	Contained tungsten W(tonnes)
Indicated	0.4	0.14	50,000	400
Inferred	63.4	0.17	11,050,000	87,600
Mulgine Hill (Mt Mulgine) JORC 2004 compliant				
	Million Tonnes	% WO ₃	MTU WO ₃	Contained tungsten W (tonnes)
Indicated	5.9	0.22	1,300,000	10,300
Inferred	2.3	0.17	400,000	3,200
Big Hill (Pilbara) JORC 2004 compliant				
	Million Tonnes	% WO ₃	MTU WO ₃	Contained tungsten W (tonnes)
Measured	9.5	0.16	1,540,000	12,200
Indicated	4.5	0.16	700,000	5,600
Inferred	2.2	0.14	300,000	2,400
Total Tungsten Mineral Resource				
	Million Tonnes	% WO₃	MTU WO₃	Contained tungsten W (tonnes)
Total	88.2	0.17	15,347,000	121,700

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