

21 September 2017

ASX Announcement

Mt Mulgine Tungsten Project Update

Highlights

- Formal Sale Agreement for acquisition of modular processing plant executed by Tungsten Mining and Pilbara Minerals Limited;
- Substantial improvement in global tungsten prices with a 67% increase for the 2017 calendar year and an almost 50% increase since the beginning of July;
- Tungsten Mining accelerating project development activities directed at the production of tungsten concentrate by the end of 2018;

Sale Agreement

Australian tungsten development company, Tungsten Mining NL (ASX:TGN) (Tungsten Mining or the Company), is pleased to advise that the Company and Pilbara Minerals Limited (ASX: PLS) (“Pilbara”) have executed the formal sale agreement (“Sale Agreement”) for the purchase of the modular heavy mineral processing plant (see ASX announcement dated 21 July 2017).

The processing plant was specifically designed and built in modules to recover a variety of heavy mineral concentrates 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. The plant and associated infrastructure were subsequently dismantled, relocated and stored at Pilbara’s Pilgangoora site, south of Port Hedland.

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 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.

Completion is scheduled to take place before the end of September. Tungsten Mining have undertaken to use its best endeavours to relocate the processing plant within three months from completion.

Tungsten Price

Global tungsten prices (by reference to price quotations for European ammonium paratungstate – APT) have increased by 67% to date in the 2017 calendar year and 49% since the beginning of July.

The resurgence in the tungsten price, to a level not seen since late 2014, has 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.

Project Development

The decision to purchase the processing plant and recent confirmation by the Western Australian Environmental Protection Authority (EPA) that the Mt Mulgine Tungsten Project did not require formal assessment under Part IV of the *Environmental Protection Act 1986* (see ASX announcement 10 August 2017) has enabled an acceleration of project development activities.

The purchase and procurement of the processing plant (pursuant to the Sales Agreement) provides the core of the Mt Mulgine flowsheet and enables any additional engineering and design considerations to be significantly more focussed compared with the optioneering often associated with the traditional feasibility study phase.

Tungsten Mining's Chief Executive Officer Craig Ferrier said:

"The commitment and belief we have had in the Mt Mulgine Tungsten Project has guided our actions this past year. We are extremely encouraged by the very positive response from the market to our progress and look forward to accelerating our development activities with a view to producing our first concentrate by the end of 2018."

ENDS

Craig Ferrier
Chief Executive Officer

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Competent Person's Statement

The information in this announcement that relates to Mineral Resources is extracted from the Annual Mineral Resources and Ore Reserves Statement contained within the 2017 Annual Report released to the ASX on 21 September 2017, 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.