

3 November 2017

ASX Announcement

MEMORANDUM OF UNDERSTANDING WITH XIAMEN TUNGSTEN CO., LTD

Highlights

- Non-binding Memorandum of Understanding (“MoU”) executed with Xiamen Tungsten Co., Ltd (“XTC”) a major tungsten producer in China;
- MoU is directed at establishing a program of cooperation between XTC and Tungsten Mining in relation to the purchase by XTC of tungsten and molybdenum concentrates from Mt Mulgine and the potential use by Tungsten Mining of XTC’s beneficiation technology;
- Metallurgical test work program completed on 300kg sample from Mt Mulgine at XTC’s Xingluokeng mine and processing facility in August 2017;
- Tungsten Mining is accelerating project development activities directed at the production of tungsten concentrate by the end of 2018.

Australian tungsten development company, Tungsten Mining NL (ASX:TGN) (Tungsten Mining or the Company), is pleased to advise that the Company and Xiamen Tungsten Co., Ltd (Shanghai Stock Exchange Code: SH600549) (“XTC”) have executed a non-binding Memorandum of Understanding (“MoU”) in relation to the Mt Mulgine Project and cooperation in relation to off take and technical assistance.

XTC is a China Fortune 500 Company domiciled in the Peoples Republic of China and has a market capitalisation of more than 30 billion CNY (~A\$6 billion). XTC’s principle business activities covers tungsten, molybdenum, rare earth, new energy materials and real estate. XTC has an established tungsten industry supply chain which includes mining, smelting and downstream processing. XTC is a large producer of the intermediate products including ammonium paratungstate and tungsten oxide. Its downstream products are tungsten powder, cemented carbide, tungsten steel, tungsten bar and tungsten wire.

XTC and Tungsten Mining have agreed to commence negotiations in good faith for XTC to have the right to purchase tungsten concentrate to be produced at Mt Mulgine. In addition, the parties have also agreed to collaborate in relation to technical support directed at enhancing concentrate grades and recovery rates for tungsten concentrate to be produced at Mt Mulgine.

The Mt Mulgine Project is also host to known molybdenum mineralisation with a JORC 2012 Complaint Indicated and Inferred Mineral Resource Estimate of 16,400 tonnes of contained metal (refer to Mineral Resource Statement set out as at Appendix 1 to this announcement). TGN have agreed to establish a scoping study to investigate the technical and economic viability of extracting molybdenum from the mineral resource at Mt Mulgine. In exchange XTC will provide its technical expertise in molybdenum beneficiation methods.

XTC have recently completed a preliminary “whole of ore” flotation test work program on a 300kg sample recovered from Mulgine Hill. This work was completed from June to August 2017 at XTC’s Xingluokeng mine and processing facility in Fujian province in China. The results of this work were very encouraging producing a tungsten concentrate grade of +55% WO₃.

The MoU provides a framework for ongoing cooperation between XTC and Tungsten Mining, however remains non-binding until the execution and delivery of formal agreements with respect to the transactions contemplated by the MoU.

Tungsten Mining's Chief Executive Officer Craig Ferrier said:

"We are delighted to build on the growing relationship with XTC, a major player in the global tungsten market. Tungsten Mining places considerable importance on partnering and collaboration to ensure access to the best expertise available to deliver maximum value to its customers and shareholders alike."

ENDS

Craig Ferrier
Chief Executive Officer

For further information, please contact:

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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.

Appendix 1

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"

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 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.

Tungsten Mining is implementing a strategic development plan for near term tungsten production, particularly from the Mulgine Hill and Mulgine Trench deposits within the Mt Mulgine Project.