CARBINE TUNGSTEN

Carbine Tungsten Limited

ABN: 77 115 009 106 (ASX: CNQ)

2015 Annual Report

CORPORATE DIRECTORY

Directors

Russell H. Krause	Non-executive Chairman
Andrew J. Morgan	CEO & Managing Director
Roland W. Nice	Non-executive Director

Company Secretary

David Clark

Registered Office

50 Scott Street, Bungalow QLD 4870

Telephone: +61 (0)7 4052 2400

Facsimile: +61 (0)7 4052 2444

Website: www.carbinetungsten.com.au

Email: info@carbinetungsten.com.au

Share Register

Computershare Investor Services Pty Ltd

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

Telephone (within Australia): 1300 850 505

Telephone (internationally): +61 (0)3 9415 4000

Auditors

BDO Audit (NTH QLD) Pty Ltd

Level 1, 15 Lake Street

Cairns Corporate Tower

Cairns QLD 4870

Telephone: +61 (0)7 4046 0000

Facsimile: +61 (0)7 4051 3484

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX)

ASX Code: CNQ

ABN: 77 115 009 106

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CHAIRMAN’S REPORT

Dear Fellow Shareholders,

Over the past year Carbine Tungsten Limited (“Carbine” or “the Company”) has partly enjoyed the highs of a junior ASX listed company with a sustained period of stock market outperformance and achieving a market capitalisation in excess of fifty million dollars. Your Company enjoyed this period which in stock market terms, significantly outperformed its tungsten industry peers and was one of the best performed junior mining companies listed on the ASX.

During the course of this year your Company finalised the terms of the funding and off-take arrangements with Mitsubishi Corporation RtM Japan Ltd (“Mitsubishi RtMJ”). Mitsubishi RtMJ remains a long term supporter of the Mt Carbine tungsten project. Your Company advanced the Mt Carbine stockpile project to contract award status. This project is now fully permitted and only requires the injection of capital for production from this phase to commence. The project’s cost perimeters also significantly benefited from the 25% plus fall in the Australian/US dollar exchange rate. This fall will significantly benefit our project’s operational costs and enable your Company to be one of the lowest cost producers in the western world.

Significant geological work was also undertaken to review the total Mt Carbine tungsten resource and your Company is now confident of being able to deliver increased reserves upon the execution and completion of an upcoming drilling campaign.

However, the past twelve months has not been all good news. We have continued to see resource commodity prices fall, the stock market revisiting lows not seen since the GFC and the underlying Australian economy continuing to weaken. This backdrop of bad news has of recent times created some serious hurdles for your Company. Until relatively recently the tungsten price has been robust and was largely immune from the broad decline in commodity prices. This has now dramatically changed. This change has come about mainly due to the large amount of tungsten reportedly held by the Chinese FANYA Metals Exchange. This exchange is experiencing financial difficulties and uncertainties. The unknown details around the amount of material being traded on this exchange have caused APT prices to decline by more than 50%. This event and other Chinese related market factors have destabilised tungsten prices and markets and caused share price declines for tungsten producers and suppliers of tungsten products. Your Company’s share price of recent times has closely tracked this decline in the APT price. The apparent consensus view of market participants is this aggressive decline in the APT price is a short-term anomaly and they are expecting a solid price recovery in the New Year.

Our off-take partner, Mitsubishi RtMJ, shares these short-term price concerns but remain committed to our project and its viability for the longer period.

Your Board of Directors, whilst concerned about the short-term ATP price decline, believe that the medium to longer term view of the tungsten price and demand for the material remains extremely positive. Your Board will continue to work diligently to add value to the Company and deliver the profitable production outcome all shareholders want in as timely a manner as market conditions and the economic environment will allow us to so do.

Yours truly,

Russell Krause
Chairman

REVIEW OF OPERATIONS

During the 2014-2015 financial year Carbine Tungsten Limited ("Carbine" or "the Company") has continued to focus its efforts on advancing the development plans for both the stockpile and open pit projects as it strives to deliver on its key objective of becoming a significant long term tungsten producer from its world class, low-cost, low-risk, brownfields tungsten mine in Far North Queensland.

These activities resulted in substantial interest being generated from a number of international investment parties and project stakeholders such as the Queensland Government's Trade and Investment Department, Palisade Capital as well as a number of open pit development off-take and investment parties. The Company has also enjoyed the continued support of its long term off-take and stockpile funding partner Mitsubishi RtM Japan Limited ("Mitsubishi RtMJ").

Paradoxically, this interest has come at a time of investment and viability uncertainty in the bulk commodity resource sector and junior mining space. However, the compelling strengths of the past proven and current business viability of the Mt Carbine Project has in contrast distinguished and attracted stakeholders and new investment interest groups alike.

The following commentary provides an overview of the activities of the Company during this period.

FUNDING AND PROJECT UPDATE

STOCKPILE PROJECT

The notification from Mitsubishi RtMJ of their Board's approval for a US$15 million secured loan (including the prepayment fund of the previous US$1 million loan) for the first phase of the Mt Carbine Hard Rock Project marked a significant and positive turning point for the Company and its flagship Mt Carbine Tungsten Project.

This funding decision was the culmination of highly detailed and comprehensive technical and financial due diligence processes which were concluded in April 2014.

A management representative from Mitsubishi RtMJ has been appointed to participate on the Project Steering Committee and will re-locate to Cairns from Japan in the near future to monitor the project's development during its construction and ramp-up phases.

As at the date of this report the Board of Carbine is in the process of finalising the conditions precedent for the Mitsubishi RtMJ loan.

The Board would like to thank Mitsubishi RtMJ for their continued support and look forward to working closely with their team to ensure the project's success.

The Company has also been actively preparing engineering and construction package details for the Stockpile Project and has outlined the scope of works for award to a suitable engineering and construction management company. A number of suitable companies have been short-listed including a large international tungsten equipment provider and turnkey project engineering group with which Mitsubishi RtMJ has a prior working relationship.

Carbine has also sought independent bids for the equipment supply and EPCM contract packages to ensure that the capital expenditure planned for the mine's re-development provides shareholders with the best value for money. Discussions with ore sorter manufacturers are well advanced and preliminary bids have been received for the proposed gravity recovery circuit that will produce high grade, low impurity wolframite and scheelite concentrate products.

The use of a simple, historically proven gravity separation process combined with the existing infrastructure and brownfields nature of the Mt Carbine Project will result in a low-risk and low-cost development. The project cost model has also greatly benefited from the decline and continued projected decline in the Australian dollar in comparison to the United States dollar, the currency in which tungsten is traded.

OPEN PIT PROJECT

Carbine has also been highly active in advancing its plans both technically and commercially for the open pit re-development phase of the project, with two internationally relevant tungsten off-take and investment groups (under non-disclosure agreements).

In addition to this, a senior Mitsubishi RtMJ representative joined Carbine on a joint overseas visit for discussions regarding additional investment with an independent investment partner with particular interest in developing the open cut mining phase of the project.

Carbine wishes to thank Mitsubishi RtMJ for its co-operation and support in these holistic project developments and is pleased to see Mitsubishi's keen interest in assisting with supportive independent investment, not only securing their 80% production off-take rights from the stockpile phase but also supporting their further interests in 50% production off-take from the open pit phase by way of promoting the project to other interested investment parties and stakeholders who wish to participate in the project's overall development.

Executives from Carbine also conducted a roadshow in New York, USA during the first quarter of 2015 to promote the Company's current prospects and plans for its hard rock open pit development. As a consequence, the Company has received a number of proposals from New York based firms and is currently in the process of reviewing these. These proposals are early stage and non-binding however progress on these developments will be announced when the Company is in a position to do so.

As at the date of this report discussions with the above interested parties were continuing.

The technical development of the operational mining plan is also underway to facilitate detailed economic and production projections and environmental planning. These detailed plans will also underpin and support funding and capital expenditure confidence.

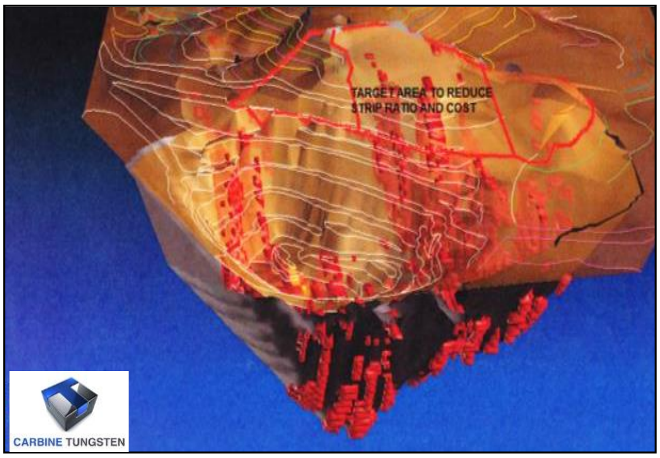
REVIEW OF OPERATIONS

TECHNICAL ACTIVITIES

MINERAL RESOURCE MODELLING

Detailed mine planning commenced during the second half of 2014, with the first step being the preparation of the following geological plans and sections:-

- 58 bench level plans at 10m intervals;
- 69 Easting geological cross-sections;
- 51 Northing geological long-sections; and
- A study of the Ruby Zone as a means of providing high grade ore feed to the start-up ore sorting and milling process.



The above image is for the start of the open pit mining sequence of the Upper Ruby Zone benches of the existing pit.

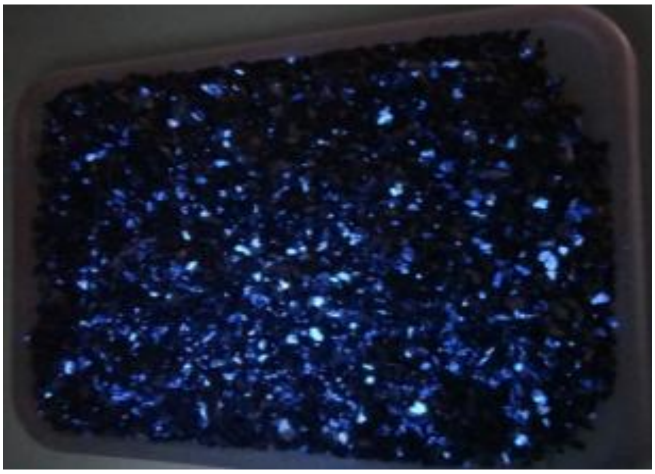
- Existing excavated areas show broken ore on surface containing wolframite and visible cross-striking veins within exposed faces;
- Utilisation of existing 440mRL and 415mRL ramps;
- Shortest haul distance; and
- No immediate de-watering of the pit required.

JIGGING TRIALS – STOCKPILES

Laboratory jig tests were conducted on a bulk 600kg sample from the stockpile ore sorter accepts material obtained during the earlier ore sorter trials. Further tests on the jig products were conducted including:

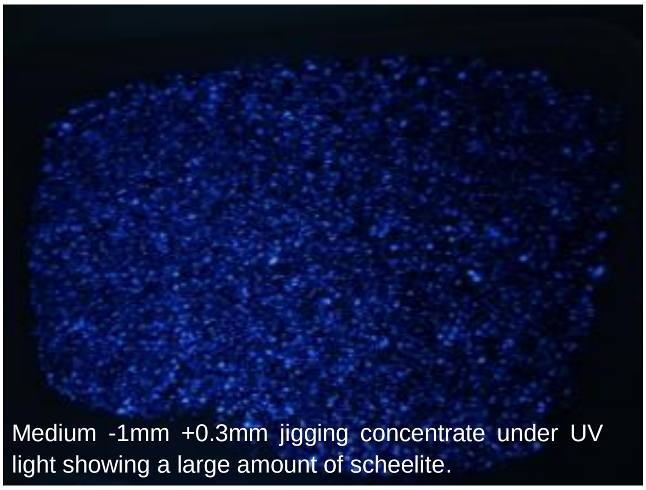
- Tabling tests;
- Flotation tests to remove deleterious material; and
- Magnetic separation tests to produce final saleable wolframite and scheelite concentrates.

Coarse -3mm jig concentrate under natural light.



Coarse -3mm jig concentrate under UV light show that the scheelite is present as liberated grains.

Medium -1mm + 0.3mm jigging concentrate under natural light.



Medium -1mm +0.3mm jigging concentrate under UV light showing a large amount of scheelite.

TAILINGS RETREATMENT PLANT

The Tailings Retreatment Plant continues to provide an invaluable contribution towards the research and development activities of the Company through the various jigging trials, ore sorting and metallurgical test work programs that have been performed since its inception.

One of the test work programs conducted during the September 2014 quarter involved the installation of a jig unit at the Mt Carbine mine site to undertake the following tests on the tailings material:

- The coarse (+0.2mm) particles recovered from the 2014 Tailings Retreatment Operation; and
- The in-situ tailings material (coarse and fine particles) within the TSF4 impoundment area.

Jig Test Work – Tailings Retreatment Operation

FUTURE EXPLORATION ACTIVITIES

MT CARBINE, QUEENSLAND

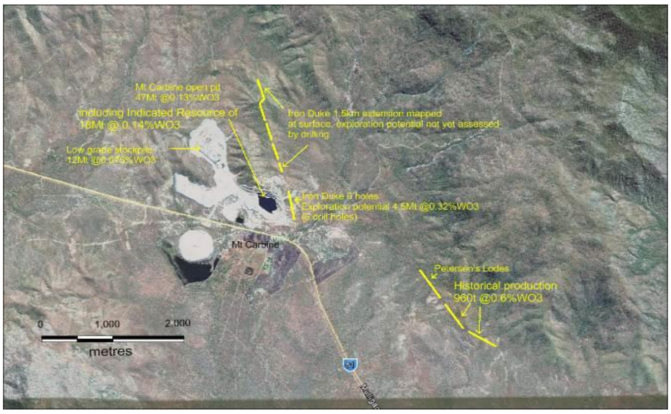
Iron Duke Prospect

Further exploration and sampling on EPM 14872 confirmed tungsten mineralisation along the mapped strike length (>1.5 km) of the strata bound Iron Duke prospect.

The principal rock types in this prospect are discontinuous pillowed basalt lenses locally altered to a skarn mineral assemblage, and an adjacent, stratigraphically continuous chert horizon. The chert is strongly brecciated and scheelite mineralisation appears to have filled cavities in the broken chert, as well as appearing in the skarn alteration assemblage associated with altered basalt. Assays of samples taken from the surface exposures of the mineralised zone range from 0.06% WO_3 to 3.03% WO_3 and these 11 samples average 0.72% WO_3. The significance of these assays will not be known until the prospect is drilled although this sampling confirms the potential for high grade tungsten mineralisation in the Iron Duke prospect (the average grade over an average true width of 8m in 6 drill holes that intersect the Iron Duke prospect in the adjacent ML 4867 is 0.32% WO_3). Drilling is planned for 2016.

Petersens Lodes

The Petersens Lodes prospect is also a strata-bound zone of scheelite mineralisation that extends for 1.3km at the contact between deltaic sediments of the Hodgkinson Formation and the hornfelsed aureole that has been formed along the western boundary of the Carbine Granite intrusive (exposed east of the prospect), due to thermal metamorphism of the intruded sedimentary rocks. The prospect widens from 1-2m width at the southern end of its mapped extent to at least 40m where it is closest to Mt Carbine. The prospect consists of quartz vein and skarn hosted mineralisation developed in the deltaic sediments especially adjacent to discontinuous pillowed basalt lenses. No stratigraphic continuity has been established between the Iron Duke and Petersens Lodes prospects at this point. At the northern-most end of the Petersens Lodes prospect a 40m wide zone of skarn alteration has been rock chip sampled and averages 0.165% WO_3.



FIRST PROGRESS REPORT, POST-DOCTORAL STUDY MT CARBINE ORE

The first progress report on the post-doctoral study of the Mt Carbine ore was presented at a seminar at James Cook University by Dr Yanbo Cheng in May 2015. The study is part of a larger investigation of intrusion related gold, tungsten and tin mineralisation in the Kennedy Province of North East Queensland, sponsored by the Geological Survey of Queensland.

REVIEW OF OPERATIONS

Dr Cheng's report outlines his research program which is designed to determine the mineralisation history and obtain physical and chemical parameters and ages for the key components of the mineralising episodes. It is anticipated that this research will provide key inputs for future exploration and possibly enhanced techniques for grade control in the planned open pit mine. Dr Cheng's work is based on detailed logging of cores from the Mt Carbine deposit as well as sampling the igneous intrusives surrounding and associated with the ore body.

The historic tungsten mine at Mt Carbine was designed to recover wolframite, and scheelite the other major ore mineral of tungsten, was recovered virtually as a by-product. The work undertaken to date has already highlighted the importance of scheelite mineralisation which is later than, but associated with, the dominant wolframite. Carbine has taken this lead and is carrying out further investigation of enhanced scheelite recovery in its planned operations.

CORPORATE

APPOINTMENT – COMPANY SECRETARY

Mr David Clark was appointed to the position of Company Secretary on 10 July 2014 upon the resignation of Mr Tom Bloomfield on the same day.

Mr Clark is a Chartered Accountant, Tax Agent and Chartered Secretary of over 15 years standing and holds a Bachelor of Commerce from UNSW and a Master of Business of Administration (Executive) from the Australian Graduate School of Management.

Mr Clark's appointment as Company Secretary complements his existing responsibilities as Chief Financial Officer ("CFO"). Mr Clark has worked as a CFO and Company Secretary for a privately funded group of biotechnology companies and is also on the audit, risk and finance committee of an international global health organisation with its principle mission being to tackle heath care issues affecting high-risk and disadvantaged people worldwide.

The Board thanks Mr Bloomfield for his dedication and service and wishes him well in his future endeavours.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

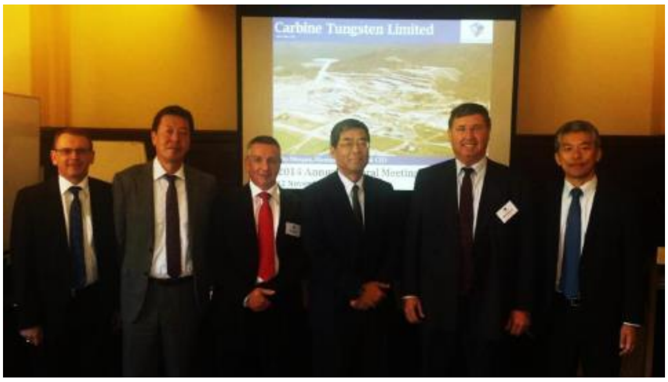
On 10 November 2014 Mr Anthony Edward (Tony) Gordon chose not to stand for re-election at the Annual General Meeting ("AGM") on 12 November 2014 and resigned as Non-executive Director of the Company in order to pursue his other increased work commitments.

Mr Gordon's decision to resign will bring to an end his operational and technical association with the Company.

The Directors would like to thank Mr Gordon for his valuable contribution and wish him the very best in his future endeavours.

MITSUBISHI RTMJ'S CEO & EXECUTIVE TEAM ATTEND CARBINE'S AGM

Carbine officially thanked the President and CEO, Mr Kenji Tani of Mitsubishi RtMJ, and other senior Mitsubishi RtMJ executives on 18 November 2014 for their support and attendance at the Company's AGM held in Melbourne on 12 November 2014. Carbine also extended its thanks to Mr Antonio Vieira for representing the Company's single largest corporate shareholder, Mota-Engil, at its AGM.



Centre Left – Jim Morgan, CEO & Managing Director (Carbine)

Centre Right – Kenji Tani, President & CEO (Mitsubishi RtMJ)

Far Right to Left – Nobuharu Hirota, Division Head – Coal & Non Ferrous Metals (Mitsubishi Australia Ltd); Russell Krause, Non-executive Chairman (Carbine), Dai Yoshikawa, General Manager – Mt Carbine Project Office (Mitsubishi RtMJ); and Glenn Williams, Senior Manager - Non Ferrous Metals Department (Mitsubishi Australia Ltd)

TRADE & INVESTMENT QUEENSLAND

Trade & Investment Queensland's ("TIQ") Group Manager of Business Development, Lincoln Parker (Centre) hosted and met with Jim Morgan (Right), CEO of Carbine Tungsten Limited and Mr Nobu Hirota (Left), Deputy Managing Director of Mitsubishi Australia at TIQ's Brisbane office in July 2015.

Carbine is being actively promoted worldwide by TIQ as a Northern Queensland investment ready project. TIQ were pleased to host both companies to discuss the importance of developing Queensland mines to their full capacity for exporting and creating job growth over the long term.

Palisade Capital Retained for Financial & Marketing Consulting Services

The Company was pleased to announce on 2 July 2015 that it had retained Palisade Capital Corp ("Palisade") as an independent and non-exclusive consultant to provide marketing services and make introductions to financiers throughout the European, Canadian and United States investment community. The principals of Palisade, Collin Kettell and Sean Zubick, will be primarily responsible for providing these services to the Company.

Palisade is an offshore merchant banking group, specialising in high growth, small cap investments. Through its global network of private equity groups, fund managers, high net worth and retail investors, Palisade is able to create strategic relationships to drive increased liquidity and source financing.

Carbine looks forward to working with Palisade in seeking additional financial partners and building a stronger global presence to bring the Mt Carbine tungsten mine back into full scale production and expand the resource assets to realise the project's full potential.

CAPITAL RAISING ACTIVITIES

Exercise of Options

During October and November 2014, 6,452,273 unlisted options with an exercise price of $0.10 and an expiry date of 15 November 2014 were exercised in full to raise funds of $645,227. These options were issued as part of the placement to professional and sophisticated investors on 15 November 2013.

The Board thanks those participating shareholders for their ongoing support.

The funds from the exercise of options and the share placement were used to progress activity relating to the recommencement of production at the former open pit tungsten mine and general working capital.

Placement

On 30 June 2015 the Board of Carbine announced a share placement of 1,388,400 fully paid ordinary shares to professional and sophisticated investors at a price of $0.14 cents per share to raise $195,818.

Expiry of Unlisted Options

The following unlisted options expired without exercise on 17 November 2014:-

- 950,000 unlisted ex-employee options exercisable at $0.19 cents; and
- 450,000 unlisted ex-employee options exercisable at $0.14 cents.

TUNGSTEN MARKET OUTLOOK

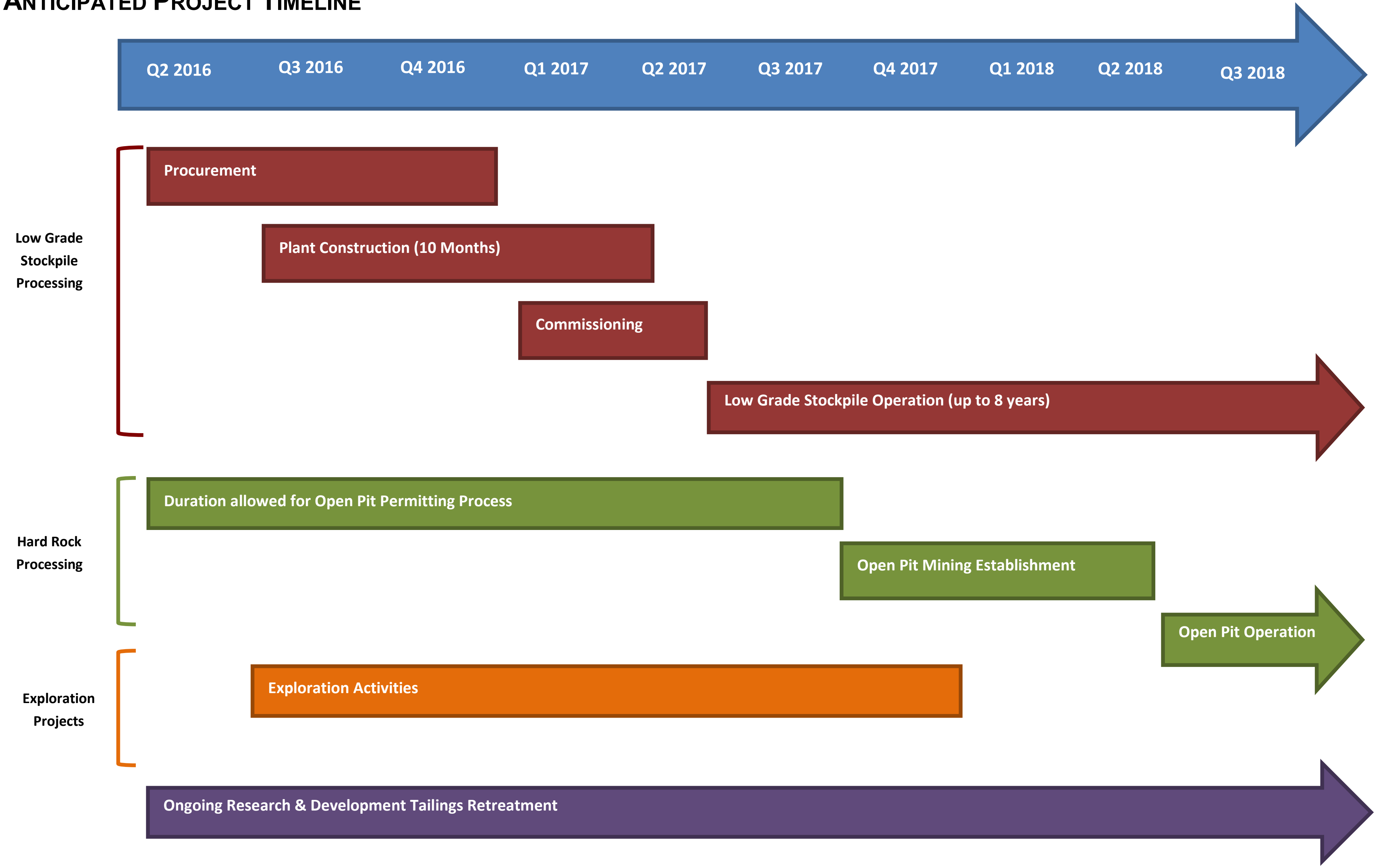
The global tungsten market continues to be supply constrained with sustained low Ammonium Paratungstate ("APT") prices significantly impairing the profitability and operating margins of current and near-term producers who are locked into high forward costs under supply and service agreements. North American Tungsten, operator of Canada's Cantung tungsten mine and the largest tungsten producer outside of China, recently laid off 50 employees (after an initial 6 week period of 150 temporary lay-offs) having experienced severe financial difficulties at least in part due to the lower APT prices. Strategic tungsten stockpiles in the USA are now also reported to be declining.

Chinese APT prices have also become very erratic and the differential margin or mark-up between the Chinese concentrate and the Chinese APT price appears to have reduced. The Chinese specialty metals exchange FANYA has reportedly built up a substantial stockpile of APT over the past few years and this particular market appears to be undergoing financial difficulties that became known to the market in July 2015. There is an uncertainty surrounding the financial survival of FANYA and what will happen to the stockpile of APT that they are reported to hold. This uncertainty has negatively affected the pricing of APT and of tungsten concentrates that are produced by the various mines globally.

Global tungsten consumption is broadly estimated to be increasing at the same rate as global GDP growth annually. The global GDP predictions have been consistently revised downwards over the past year and this decline can also be expected to have resulted in a corresponding softening effect on global tungsten consumption. Uncertainty in relation to the FANYA stockpile holdings and a softening in global tungsten consumption has more recently severely impacted tungsten and APT pricing.

Whilst these tungsten product price impacts are generally considered to be short term or temporary CNQ plans to monitor the market closely and make prudent development decisions in relation to concentrate production. The Board believes that Carbine is well positioned to benefit from a recovery in this cycle.

ANTICIPATED PROJECT TIMELINE



TENEMENT SCHEDULE

Details of mining tenements held by the Company and its child entities:-

State	Ownership	Area	Status	Notes	Expiry Date
Queensland					
ML 4867	Mt Carbine Quarries Pty Ltd 100%	358.5 ha	Granted	Subject to sub-lease agreement with Carbine Tungsten Limited with pre-emptive right to purchase. Sub-lease agreement transferred from Tungsten Resources Pty Limited to Carbine Tungsten Limited on 1 June 2015.	31/07/2022
ML 4919	Mt Carbine Quarries Pty Ltd 100%	7.891 ha	Granted	Subject to sub-lease agreement with Carbine Tungsten Limited with pre-emptive right to purchase. Sub-lease agreement transferred from Tungsten Resources Pty Limited to Carbine Tungsten Limited on 1 June 2015.	31/08/2023
EPM 14871	Carbine Tungsten Limited 100%	32 sub blocks	Granted	Application for Renewal Lodged	12/12/2015
EPM 14872	Carbine Tungsten Limited 100%	35 sub blocks	Granted	Application for Renewal Lodged	11/12/2015

ML = Mining Lease EPM = Exploration Permit for Minerals

MINERAL RESOURCES AND ORE RESERVES STATEMENT

SUMMARY OF RESULTS OF ANNUAL REVIEW OF RESOURCES AND RESERVES

The resources and reserves at Mt Carbine comprise three components:

1. The resources and reserves in mineralised rock proposed to be mined by open pit mining, beneath and adjacent to the existing open pit.
2. The mineralised rock that was mined and stockpiled in what is now termed the Low Grade Stockpile.
3. The tailings from the previous mining operation, principally the tailings in Tailings Storage Facility No 4.

There are also other significant mineralised stockpiles and mine dumps, particularly the Optical Ore Sorter Reject ("OOSR") stockpile from the previous mining operation, estimated to comprise several million tonnes. Except for the OOSR stockpile these have not been quantified nor sampled for grade.

1. Mineralised Hard Rock

The resources and reserves estimates for the mineralised hard rock in the Mt Carbine tungsten deposit were updated to comply with the 2012 JORC Code for reporting of reserves and resources in November 2012 (Carbine ASX announcements 20/11/2013; 24/11/2013 and 9/01/2014). No further sampling or work has been done since this update that impacts on the resource estimate and therefore the resources and reserves estimates for the Mt Carbine tungsten deposit are left unchanged.

2. Low Grade Stockpile

Carbine announced an upgrade of the Low Grade Stockpile resources in September 2012. To comply with the 2012 JORC Code a more detailed reporting of the upgrade is provided in Appendix 1 to this report.

The low grade stockpile ("LGS") is comprised of mineralised rock extracted during open pit mining operations between 1974 and 1987. Grade control practice during this open pit mining discriminated between ore sent for processing and mineralised rock deemed at the time to be too low grade to justify treatment. Independent research has since established that the grade control practice, based on an estimate of quartz vein percentage as a direct indicator of tungsten grade, was invalid.

In the historical records of this mining operation the material consigned to the stockpile is described as "mullock" or "low grade", but also includes 3.5Mt of "ore". Geological examination and drilling indicates that the previous mining at Mt Carbine was all in mineralised rock. No sampling or record of possible grade variation was kept of material sent to the stockpile.

Historical mine records indicate that there is approximately 12Mt of broken rock in the stockpile. This reconciles with the tonnes consigned to the LGS, derived from the independent estimate of total tonnes of rock mined in the previous open pit of 22Mt, less the 10Mt recorded as having been processed through the mill.

The LGS has been bulk sampled (22,000 tonnes), the sample assayed and subjected to extensive sorting trials with a pilot-scale X-ray sorter (CNQ (III) ASX announcement 23 March 2011). The sorter trials indicated that the low grade material could be pre-concentrated by sorting with an optimum 6 times upgrade. The grade of the bulk sample was 0.075% WO_3. This compares very favourably with a back-calculation from historic mine records of production and mill recovery, and based on the recent resource estimate which took account of the resource mined during the previous open pit operation, of a global average grade of 0.07% WO_3 for the low grade stockpile. Further sampling of the LGS for environmental permitting purposes involved taking 80 grab samples from the surface of the stockpile. Each sample was approximately 20kg of minus ~100mm material. The average grade of these samples was 0.088% WO_3.

Following the X-ray sorter trials previously announced and the costings determined in the Feasibility Study, Carbine has sufficient confidence in the tonnage and global average grade of the stockpile to justify its inclusion in the resource inventory at Mt Carbine as an Indicated Resource.

Trials indicated that at optimum settings, the X-ray sorter produces a pre-concentrate product that is approximately 12% of the original feed and has a grade of approximately 0.65% WO_3 at 90% WO_3 recovery, and approximately 88% of the material fed to the sorter was rejected as waste. The loss of WO_3 to waste in this sorting process was only 10% of the total tungsten in the sorter feed.

- Carbine does not intend to attempt a further definition of the possible grade and tonnage of mineralised rock in the low grade stockpile, beyond the sampling, assaying and sorter trials already carried out, because of the physical impracticality of attempting to do so.
- Local grade distribution within the stockpile is expected to vary and has not been quantified.

The plant comprising the X-ray sorter and mill to treat the stockpile material will be the same plant to process ore from the open pit.

3. Tailings

Production from the tailings No 4 stockpile was carried out until 8 December 2013. Carbine has previously stated that this stockpile contained approximately 2Mt at a global average grade of 0.1% WO_3, based on comprehensive but non-JORC compliant historical studies. The stockpile includes a basal layer 1-2m thick amounting to approximately 400,000 tonnes of slimes (<75micron particles) with a global average grade of 0.35% WO_3. Trials are continuing with the aim of achieving efficient recovery of tungsten from the slimes, but this component of the stockpile is essentially untouched and production was mostly from the >50 micron <1mm fraction of the overlying coarser tailings material.

MT CARBINE MINERAL RESOURCE SUMMARY – JULY 2014 (NO CHANGE FROM 2013) TUNGSTEN RESOURCES AS WO_3

Resource	Resource	Cut-off Grade (%)	Tonnes (Mt)	WO_3 (%)	WO_3 (mtu)
Low Grade Stockpile	Indicated	0.00	12.0	0.075	840,000
Main Zone Hard Rock	Indicated	0.05	18.0	0.140	2,520,000
Main Zone Hard Rock	Inferred	0.05	29.3	0.120	3,516,000
	Total		**59.3**		**6,876,000**

Exploration targets adjacent to Inferred and Indicated Mineral Resources in the Mt Carbine sheeted quartz vein tungsten deposit.

1. Sheeted quartz vein system:

Exploration drilling to date suggests that the Mt Carbine tungsten deposit may plunge to the north, and the deposit is open in this direction, to the south east and at depth. The deposit contains an Indicated Mineral Resource of 18Mt at 0.14% WO_3 (at a cut-off of 0.05% WO_3), and exploration of the depth extensions of the deposit will be carried out after production from this resource has commenced.

2. The Iron Duke prospect:

The Iron Duke prospect on the eastern side of the planned open pit has now been intersected in 6 drill holes, and has recently been mapped in detail on the surface and shown to extend more than 2km to the north of where it has been drilled. Surface width of the sub-vertical zone that hosts the Iron Duke mineralisation ranges from 10m to 20m over this strike length. Scheelite and minor wolframite mineralisation have been observed in rock chips along the entire length of surface exposure.

The Iron Duke mineralisation is dominated by scheelite (whereas the main Mt Carbine sheeted quartz vein tungsten deposit is dominated by wolframite) and the weighted average grade of the 6 drill intercepts in the Iron Duke is 0.32% WO_3 over an average true width of 8m. The 6 drill holes cover a strike length of 300m, and the shallowest intersection of the prospect is at a depth of 100m immediately adjacent to the planned open pit. Although the surface expression of the Iron Duke adjacent to the open pit is now covered by mine dumps, historical maps indicate that it was recognised as a scheelite prospect at the surface in 1917, and therefore there is a reasonable expectation that the prospect will extend from the surface to below its present maximum drilled depth of 195m. The Iron Duke mineralisation is not included in either the present Inferred or Indicated Mineral Resources although it will be uncovered and mined in the planned open pit.

Exploration of the Iron Duke is planned in 2015-2016 to test grade, width and continuity commencing with a detailed ground magnetic survey to be followed with drilling. The Exploration Target for the Iron Duke over a strike length of 400m immediately adjacent to the planned open pit is 3.5Mt to 6.5Mt with possible grades ranging from 0.13% WO_3 to 0.59% WO_3 (based on present drilling data), with the weighted average grade of drill hole intersections of 0.32% WO_3 possibly reflecting the average grade. This Exploration Target does not include the potential for further mineralisation along the recently established northern continuation of the prospect.

The Exploration Targets at Mt Carbine are summarised in Table 1 below:

Mineralisation system	Exploration target tonnes	Exploration target grades
Main sheeted quartz vein system – wolframite dominated	12Mt-16Mt	0.08% WO_3 to 0.16% WO_3
Iron Duke prospect – scheelite dominated	3.5Mt-6.5Mt	0.13% WO_3 to 0.59% WO_3

Hole No.	From (m)	To (m)	Interval (m)	%WO_3 (XRF analysis)
CB18	163	198	35	0.299%
CB51	130.25	146.5	8.73	0.57%
CB52	94.5	112.5	18	0.18%
CB53	160.5	172.5	12	0.49%
CB54	162.5	169.35	6.85	0.59%
CB66	113.3	127.62	14.32	0.13%

Table 2. Drill intersections in the Iron Duke prospect adjacent to the open pit at Mt Carbine.

GOVERNANCE AND INTERNAL CONTROLS

The Company has followed the practice of obtaining independent, geostatistically based estimates of resources, which themselves have been independently audited. These estimates have been qualified in-house where geometallurgical research, economic modelling involving mine and processing studies and/or reconciliations of historical mine data justify modification. The prime concern in this deposit is the extreme nugget character of the mineralisation and in this respect considerable confidence is placed on existing resource estimates that they are (a) conservative with respect to grade estimation, and (b) that the previous mine operation and a nearly complete set of records of this operation document what is in effect a 10Mt bulk sample of the ore body.

COMPETENT PERSON STATEMENT

(a) The above Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by competent persons; and

(b) The information in this document relating to Exploration Targets and Mineral Resources is based on information compiled by Dr Andrew White, who is a Fellow of the Australian Institute of Geoscientists and principal consultant for Andrew White & Associates. Dr White has sufficient experience relevant to the style of mineralisation, mining and processing the type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC code). Dr White consents to the inclusion of matters based on his information in the form and context in which it appears in the Annual Report.

APPENDIX 1. TABLE 1, JORC CODE 2012

Section 1. Low Grade Stockpile Sampling Techniques and Data

Sampling techniques	1. Bulk sampling by means of 8 costeans dug with an excavator around the perimeter of the stockpile, costeans ranging up to 10m deep and 50m long. 2. Grab sampling at 80 locations (samples approximately 20kg each of minus 100mm material) for mineralogical and chemical characterisation of mineralised rock for environmental permitting purposes.
Drilling techniques	N/A
Drill sample recovery	N/A
Logging	N/A
Sub-sampling techniques and sample preparation	The bulk sample was coned and quartered with the excavator to 2,000 tonnes. This sub-sample was crushed to minus 50mm and screened into three size ranges: 20-50mm, 10-20mm and minus 10mm. Each size fraction was sampled by channel sampling. The grab samples were crushed to minus 3mm, split, and sub-samples pulverised and assayed for a range of elements including tungsten (the latter by fused disk XRF).
Quality of assay data and laboratory tests	The channel samples were analysed by fused disk and check analyses were carried out on site with a Niton portable XRF analyser after careful calibration of this instrument.

Verification of sampling and assaying	See above.
Location of data points	Costean locations are shown in Figure 1 and grab samples in Figure 2 below.
Data spacing and distribution	See Figures 1 and 2.
Orientation of data in relation to geological structure	N/A
Sample security	The bulk sample crushed and screened size splits are stored on site, and the crushed grab samples and pulverized splits are stored in the mine core shed.
Audits	The bulk sampling procedures were subject to review by an independent consultant retained to supervise the X-ray ore sorter trials.

Section 2. Reporting of Exploration Results

Mineral tenement and land tenure status	The resource estimates reported herein are all within Mining Leases 4867 (358.5ha, expiry 31-07-22) and 4919 (7.891ha, expiry 31-08-2023), held by Mt Carbine Quarries Pty Ltd. Carbine's wholly owned subsidiary, Tungsten Resources Pty Ltd, has a sub-lease agreement with Mt Carbine Quarries Pty Ltd that grants the right to extract metals including tungsten from the Mining Leases. The Mining Leases lie within Brooklyn Grazing Homestead Perpetual Lease. Native Title has been extinguished in the Mining Leases by Deed of Grant.
Exploration done by other parties.	No previous examination of the LGS was carried out. **Historical (1974-1987) mine records.** A nearly complete record of mine production, including amounts of mined rock consigned to the LGS has been compiled using published and unpublished archives, including reporting for State Royalty returns.
Geology	**The Deposit** The Mt Carbine tungsten deposit is a sheeted quartz vein deposit. A number of sub-parallel, sub-vertical quartz veins have been deposited in fractures developed in the host rocks (Siluro-Devonian metasediments) in a zone that drilling and mapping of historical surface workings has shown to be approximately 300m wide and at least 1.4km long, trending at about 315 degrees. **Grade Variation** Sampling, drill core logging, geostatistical analysis of drill core assay data and mapping of the open pit have determined that all the material mined during the previous operation was mineralised to some extent, and that the mineralogy of the deposit was uniform. There is little doubt that the mineralogy of the stockpile material is identical to that mined and processed. Material in the stockpile comprises a single formation, the result of alteration of Siluro-Devonian meta-sedimentary host rocks (Forsythe and Higgins, 1990). The amount of quartz veining varies within the mineralised zone and previous mining and exploration has been concentrated at the south eastern end of the mineralised zone. It is well understood that there are high grade zones within the mineralisation in this part of the deposit and that the higher grade zones are surrounded by lower grade mineralisation. Interpretation of recent drilling suggests that the main high grade zone may plunge to the north of the present open pit. The previous mine assumption that quartz vein abundance is directly correlated with grade is not supported by an independent review of quartz vein abundance and grade.
Drill hole information	N/A
Data aggregation methods	N/A
Relationship between mineralisation widths and intercept lengths	N/A

Diagrams	A plan view of sampling is shown below in Figures 1 and 2.
Balanced reporting	N/A
Other substantive exploration data	N/A
Further work	The bulk sample was subjected to a series of trials through a pilot scale X-ray ore sorter over a period of 2 months. This work demonstrated that an optimum 6 times upgrade of the tungsten content in the ore sorter accepts, and ensuing feasibility studies indicate that the LGS is economic to process by means of X-ray ore sorting and concentration of mineral in the ore sorter accepts in a conventional gravity mill.

Section 3. Estimation and Reporting of Mineral Resources

Database integrity	N/A
Site visits	The Competent Person has been closely involved in resource assessment at Mt Carbine between 1985 and 1988, 1992 and between 2009 and the present. The relevant Competent Person has conducted numerous site investigations including mapping, sampling, core logging, review of historical resources and reserve estimates, mining, metallurgical processing and recovery.
Geological interpretations	Senior geological staff including the Competent Person has developed a sound understanding of the geology and importantly, geometallurgy of the deposit.
Dimensions	The 12Mt tonnes estimated to be contained in the LGS has been derived from nearly complete historical mine records, confirmed by reconciliation of an independent estimate of total tonnes mined from the open pit (22Mt) less 10Mt material processed through the mill.
Estimation and modelling techniques	The detailed distribution of grade through the LGS is not known, as no record was kept of placement of rock consigned to the stockpile, nor was any sampling carried out. The average of assays of the three size range sub samples of the bulk sample is 0.075% WO_3. This reconciles very favourably with a back-calculation from historic mine records of production and mill recovery, and based on the recent resource estimate which took account of the resource mined during the previous open pit operation, of a global average grade of 0.07% WO_3 for the low grade stockpile. It should be noted that the historical mine records state that 3.5Mt of rock described as ore were apparently consigned to the stockpile in 1982. The grab samples average 0.088% WO_3 (fused disk XRF analysis), which is taken to indicate that the tungsten grade of the finer fraction (<200mm) of the stockpile is higher than the global average grade of the bulk sample that included fragments up to 500mm.
Moisture	Tonnages are estimated on an air dried basis.
Cut off parameters	No cut off has been applied to the stockpile grade estimation, however it is planned to screen the stockpiled material at 500mm and only crush and ore sort the minus 500mm fraction, since a growing body of data from on-going tests indicates that this fraction contains the bulk of the tungsten minerals that it is planned to recover.
Mining factors	The stockpile fills a valley and will readily be recovered by excavator and truck.
Metallurgical factors	There is no doubt that the mineralogy of the material contained in the stockpile is identical to that of the hard rock ore body. The Mt Carbine ore body is low grade in comparison with many other tungsten deposits, however the highly successful application of ore sorting to pre-concentrate this ore to a high grade mill feed has been demonstrated firstly in the previous mining operation which used optical ore sorters, and secondly by extensive recent trials of X-Ray ore sorting of bulk samples of stockpile and Run of Mine ore by Carbine. Process design and anticipated recoveries have been derived from historical mill flow sheets, reports and trials that have been confirmed by repeat metallurgical testing of bulk samples of stockpile material including Run of Mine ore.

Environmental factors	Carbine has been granted an Environmental Permit by the Queensland Department of Environment and Heritage Protection ("DEHP") to process the low grade stockpile. Based on sampling of existing stockpiles, tailings storage facilities and analytical characterisation of the mineralisation, the only elements present at hazardous values are fluorine (as fluorite) and arsenic (as arsenopyrite). Previous mine practice and the present Environmental Management Plan approved by the DEHP include measures to manage the environmental hazards these elements present. Sampling of the existing stockpiles and tailings storage facility indicate that acid mine drainage will not be a hazard created by future mining and waste storage.
Bulk density	N/A. The tonnes estimated to be contained in the stockpile have been derived independently of calculation by multiplying volume by density.
Classification	Following extensive metallurgical testing of bulk samples from the stockpile that provide robust anticipated recovery and quality of product, the LGS has been classified as an Indicated Resource.
Audits or reviews	The estimates for the LGS have been subject to internal Company review.

Section 4. Estimation and Reporting of Ore Reserves

Mineral Resource estimate for conversion to Ore Reserves	Due to the total lack of knowledge of detailed grade distribution within the stockpile, and the impracticability of detailed sampling within the body of the stockpile, it is doubtful if an ore reserve could be determined for the stockpile. However, the ore sorting trials indicate that the global average grade of the stockpile is sufficient to enable it to be economical to be processed via ore sorting, and it is anticipated that the construction of the stockpile over time led to a degree of homogenisation of the grade distribution within the stockpile.
Site visits	See Section 3.
Study status	The decision to process the stockpile was the outcome of the following independent studies: • A Feasibility Study, which is now in the process of being refined to a Final Feasibility Study standard. • Extended X-ray ore sorter trials. • Infrastructure (the mine is ideally situated with respect to infrastructure having sufficient grid power, sealed highway access, and adequate water supply). • Laboratory and pilot scale test work on appropriate bulk samples to determine parameters for flow sheet design for a gravity recovery circuit, using mainly samples from the low grade stockpile (see below). • Flow sheet design for a gravity recovery circuit. • Detailed costings for operating and capital costs. • Discounted cash flow modelling of project economics. In addition, the following factors provide additional confidence when taking into account the factors outlined above: • The Company already operates a treatment plant to recover mixed wolframite and scheelite concentrates from the main tailings dump associated with the previous mining operation. The Tailings Retreatment Plant has made regular shipments of concentrate to Carbine's major off-take partner. Operation of the tailings recovery plant provides confidence that the anticipated mill recovery can be achieved, and has also provided an opportunity to recruit and train staff to operate the proposed mill.
Cut-off parameters	See Section 3.
Mining factors	See Study status.

Metallurgical factors	A geometallurgical approach to exploitation of the Mt Carbine tungsten deposit is considered critical to a successful outcome. Following extensive test work that has confirmed the validity of the previous milling process (but with improved recovery to be anticipated), the main components in the metallurgical process will essentially be as follows: 1. Crushing; 2. Ore sorting; 3. Jigging; 4. Spiralling; 5. Tabling; 6. Dry Magnetic Separation. The key parameter from the metallurgical test work and design is recovery of >75% of WO_3 in mill feed. There are no by-product minerals, although the waste will be sold as aggregate or road base (this has not been included in the feasibility assessment of the project). Tests and previous mine practice have shown that the main contaminant, arsenic in arsenopyrite, can be cost effectively removed by flotation and that the products will be very high grade (70% and 72% WO_3) wolframite and scheelite concentrates. Previous removal of arsenic (and other minor sulphides) by flotation of small concentrate volumes has had additional environmental benefits in that the existing stockpiles and tailings have been demonstrated to have no acid mine drainage potential.
Environmental	See Section 3.
Infrastructure	The Mt Carbine mine is situated adjacent to the Mulligan Highway, has grid power to site and sufficient water on site for planned operations.
Costs	Capital Cost – AU$15M Operating Costs – AU$10.20 / tonne
Revenue factors	The present price for Ammonium Paratungstate (APT), which is the benchmark for pricing of the tungsten concentrates that will be the mine product, is around US$410 per Metric Tonne Unit (MTU). All mine studies have been based on a price of US$290 per MTU and A$ parity, however, based on published documents, the Company's market studies forecast that the demand for tungsten concentrates will grow at 4.5% per annum and that therefore the price will remain firm.
Market assessment	The Company holds an MOU with a major metal trading house for 80% off-take of product from the Low Grade Stockpile and at least 50% of the open pit mine product. Discussions with other off-takers are well advanced.
Economic	Using the estimates summarised in Costs (above) the project has an NPV at 10% discount rate of AU$19M.
Social	The Company has a policy of employing local staff by preference and is already well regarded as a significant employer in the district.
Other	See Mineral Tenement and Land Tenure Status Section 2.
Classification	N/A
Discussion of relative accuracy/confidence	The likelihood of success for the proposed stockpile treatment is underpinned by the fact that the same ore body was profitably mined for 13 years by the previous operators. The mine only closed in 1987 because of the price collapse caused by oversupply from Chinese producers dumping product on the market, resulting in the closure of most western tungsten producing mines. Prior to the price collapse, the Mt Carbine mine operators and their joint venture partners had carried out detailed plans to extend the mine life and maintain production for a further ten years. The Mt Carbine mine had not run out of ore (there was an estimated 3.5Mt of ore to be extracted from the existing pit before any mine expansion had to be considered). The ore treatment process was well documented and studies spurred by the collapsing price showed that mill recovery could be significantly increased. This has since been confirmed by test work carried out by Carbine.

Figure 1. Locations of costeans excavated for bulk sample of stockpile for X-ray ore sorter trials and determination of global average grade.

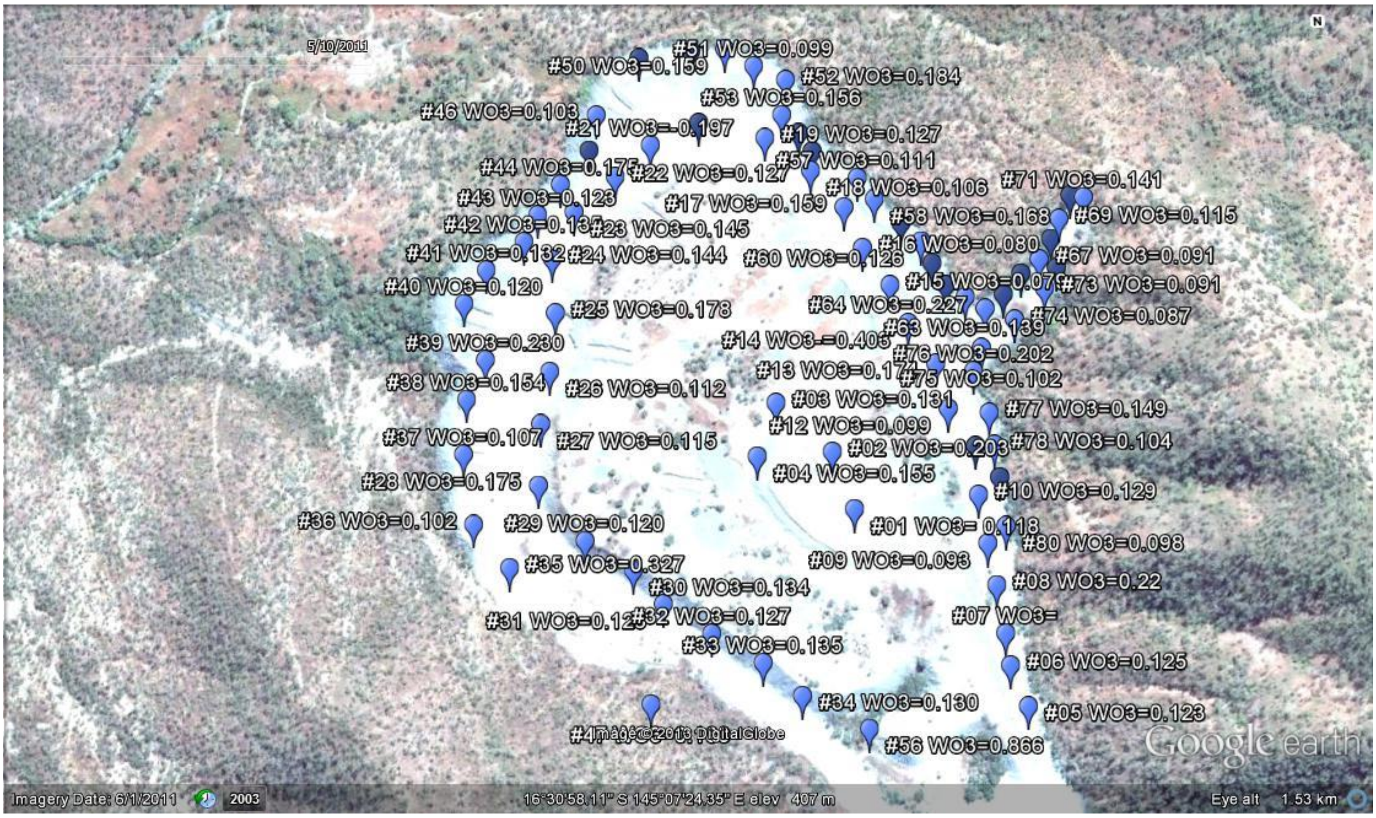


Figure 2. Aerial view of low grade stockpile showing locations of grab samples taken for characterisation of mineralogy and chemistry of stockpile for environmental permitting purposes. Each grab sample was approximately 20kg.

DIRECTORS' REPORT

The Directors of Carbine Tungsten Limited present their report on the consolidated entity (Group), consisting of Carbine Tungsten Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2015.

DIRECTORS

The following persons were Directors of Carbine Tungsten Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Russell H. Krause, Non-executive Chairman

Andrew J. Morgan, CEO & Managing Director

Roland W. Nice, Non-executive Director

Anthony E. Gordon, Non-executive Director (resigned 10 November 2014)

COMPANY SECRETARY

David Clark

PRINCIPAL ACTIVITIES

The principal activity of the Group has continued to be the development of the Mt Carbine Tungsten mine near Cairns in Far North Queensland. The Group has also continued exploration activities for additional tungsten reserves.

The "Review of Operations" section covers this in further detail.

RESULTS

The net result of operations for the consolidated entity after applicable income tax expense was a loss of $2,415,229 (2014: $2,001,531).

DIVIDENDS

No dividends were paid or proposed during the period.

REVIEW OF OPERATIONS

Information on the operations and financial position of the Group and its business strategies and prospects for future financial years is set out earlier in this Annual Report. The auditors have issued an unqualified opinion with an emphasis of matter in their auditors report in regards to a material uncertainty regarding going concern. This matter is disclosed in Note 1 in the financial report.

CORPORATE STRUCTURE

Carbine Tungsten Limited is a limited company that is incorporated and domiciled in Australia.

EMPLOYEES

The Company had 4 full-time employees as at 30 June 2015. The Company also uses contract geologists and other specialist consultants as required.

SIGNIFICANT CHANGES

Significant changes in the state of affairs of the Group for the financial year were as follows:

(a) Increase in contributed equity of $1,482,045 resulting from:

	Date	Shares	$
Shares issued from the exercise of options at $0.10 exercise price[(b)]	18-11-14	6,452,273	645,227
Shares issued to Directors as remuneration at a deemed value of $0.12 per share as approved by shareholders at the 2014 AGM	12-11-14	4,500,000	540,000
Shares issued to employees and consultants at $0.12 per share	23-12-14	882,173	101,000
Shares issued under a placement @ $0.14 per share	30-06-15	1,388,400	195,818
		13,222,846	**1,482,045**

[(b)]6,452,273 unlisted options at an exercise price of $0.10 issued as part of the placement to professional and sophisticated investors on 15 November 2013 were exercised in full before the expiry date of 15 November 2014.

(b) On 17 November 2014 the following unlisted ex-employee options expired without exercise:

ASX Code	Number of Employee Options	Exercise Price	Expiry Date
CNQ	450,000	$0.14	17 November 2014
CNQ	950,000	$0.19	17 November 2014

The Directors are not aware of any other significant changes in the state of affairs of the Company occurring during the financial period, other than as disclosed in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this Directors' Report, the Directors are not aware of any matter or circumstance that has arisen that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in the financial year subsequent to 30 June 2015.

LIKELY DEVELOPMENTS

The Company will commence activities associated with plant procurement, construction and commissioning of the hard rock stockpile phase of the Mt Carbine Project once capital funding has been secured and are continuing research and development activities at the Company's Tailings Retreatment Plant. Further details are provided in the "Review of Operations" section of this report.

ENVIRONMENTAL REGULATION & PERFORMANCE

Carbine and its related entities endeavour to remain compliant with all aspects of the environmental regulations governing their exploration and mining activities. Despite these endeavours infringement notices were issued to Carbine's wholly owned subsidiary, Tungsten Resources Pty Ltd, in relation to historic long-term water release exceedances from the Mt Carbine Tungsten Project following a cyclonic rainfall event, which resulted in an unauthorised release and exceedance of water quality objectives under Environmental Authority ("EA") EPML00956913 during March 2015.

The Company is currently working closely with the Department of Environment and Heritage Protection to identify appropriate remedial measures to stop and/or contain future water releases.

The Directors are not aware of any other significant environmental laws or EA licence conditions that are not being complied with."

INFORMATION ON DIRECTORS

Russell H. Krause

Non-executive Chairman

Mr Krause was appointed Non-executive Chairman on 30 June 2013 and has over 25 years' Executive Management and Director level experience in a range of corporate advisory, stockbroking, and investment banking roles with some of Australia's leading financial services firms. Mr Krause also has extensive experience in the resources sector providing equity capital markets, capital raising and corporate advisory services to a range of ASX listed mining and energy companies. Mr Krause is currently a Director of ASX-Listed Oil and Gas companies, Austex Oil Limited, Red Sky Energy Limited and Elk Petroleum Limited.

Andrew J. Morgan

CEO and Managing Director

Mr Morgan was appointed in April 2012 and has over 30 years' experience in the Australian and international mining and construction industries, most recently as General Manager – Project Development for ASX-listed Paladin Energy Ltd at Paladin's Langer Heinrich Uranium Project in Namibia. Mr Morgan worked on the initial Langer Heinrich Stage 1 development and the subsequent Stage 3 expansion project. He also managed Paladin's Kayelekera Project EPCM functions and was involved with government approvals and community interface aspects of the Kayelekera uranium mine in Malawi. Before joining Paladin, Mr Morgan held senior positions and played key roles in the mine development of Lafayette Mining Limited (Owner's Representative), Rapu Rapu mine in the Philippines and Ticor (Owner's Representative) at the Richards Bay mineral sands mining and titanium smelter project in South Africa. He acted as Owner's Site Manager for Newcrest Mining Ltd at the Cadia Gold-Copper mine at Orange, NSW and as Owner's Engineering Manager at Newcrest's Gosowong Gold mine in Indonesia. Mr Morgan holds tertiary qualifications in Electrical Engineering.

Anthony E. Gordon - Resigned 10 November 2014

Non-executive Director

Mr Gordon was appointed on 26 November 2012. Mr Gordon has over 25 years' experience in financial markets and has held Directorships and Senior Management positions with a number of leading Australian stockbroking and financial services companies. Over this time Mr Gordon's primary focus has been the listed resources sector and he brings extensive experience in Australia, Asia and North America. More recently Mr Gordon has provided advice to a number of Chinese, South East Asian and North American projects that are held by Australian listed and un-listed entities.

Roland W. Nice (B.Sc (Metallurgical Engineering))

Non-executive Director

Mr Nice was appointed on 30 June 2013. Mr Nice is a Metallurgical Engineer with over 45 years' experience. Mr Nice has a strong track record in mineral processing and metallurgy, most recently as a consulting Metallurgical Engineer in the role of Senior Associate for Behre Dolbear Australia, where he was involved in due diligence activities and consulting on some of the world's largest poly-metallic, gold and uranium projects including Newcrest's Cadia, Ridgeway and Telfer gold projects, Barrick's Cowal gold project, Lion Ores's Thunderbox gold project and numerous other non-ferrous metal mining projects. Mr Nice's work as a consultant has included specific experience in tungsten processing. Prior to this, Mr Nice was the Principal at a technical consulting firm, R.W. Nice and Associates, which followed approximately 20 years in a range of roles with Pancontinental Mining Limited, including General Manager Technology and Metallurgy. While with Pancontinental, Mr Nice was intimately involved in the test work and feasibility studies that led to the development of the Paddington and Kundana gold mines (3.0 Mtpa), the Jabiluka uranium project, the Thalanga Cu-Pb-Zn mine, the QMAG magnesia operation and the Wodgina tanalum operation. He is a member of the Australian Institute of Engineers and the Canadian Institute for Mining, Metallurgy and Petroleum, and a fellow of the Australian Institute of Mining and Metallurgy.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

Directors' interests in shares and options as at 30 June 2015 are set out in the table below. Between the end of the financial year and the date of this report, no additional shares or options were acquired or disposed.

Director	Shares Directly and Indirectly Held	Options Directly and Indirectly Held	Performance Rights Directly and Indirectly Held
R.H. Krause	1,000,000	2,000,000	-
A.J. Morgan	5,798,801	2,000,000	-
A.E. Gordon[1]	-	2,000,000	-
R.W. Nice	1,100,000	2,000,000	-

[1] Resigned 10 November 2014

COMPANY SECRETARY

David Clark

Mr Clark's appointment as Company Secretary on 10 July 2014 complements his existing responsibilities as Chief Financial Officer. Mr Clark is an experienced Chartered Secretary, a member of the Governance Institute of Australia and holds a Masters of Business of Administration (Executive) from the Australian Graduate School of Management (AGSM). Mr Clark has worked as Company Secretary of a privately funded group of biotechnology companies and is on the audit, risk and finance committee of an international global health organisation providing independent assurance and assistance to the organisation on audit, risk management, control and corporate governance.

MEETINGS OF DIRECTORS

Directors' attendance at Directors Meetings are shown in the following table:

Director	Meetings Eligible to Attend	Meetings Attended
R.H. Krause	6	6
A.J. Morgan	6	6
A.E. Gordon[1]	3	3
R.W. Nice	6	6

[1] Resigned 10 November 2014

Non-executive Director, Roland Nice and Chairman, Russell Krause are members of the Company's Audit and Risk Management Committee. The Committee reviews the Company's corporate risks, financial systems, accounting policies, half-year and annual financial statements. There were two (2) Audit and Risk Management Committee Meetings during the year. Russell Krause and Roland Nice are members of the Remuneration and Nomination Committee which held one (1) meeting during the year. Anthony Gordon was a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee until his resignation as a Non-executive Director on 10 November 2014.

AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS

Director	Meetings Eligible to Attend	Meetings Attended
A.E. Gordon[1]	2	2
R.W. Nice	1	1
R.H. Krause	2	2

[1] Resigned 10 November 2014

SHARE OPTIONS AND PERFORMANCE RIGHTS

During or since the end of the financial year, 8,000,000 options were granted by Carbine Tungsten Limited to the Directors and Executives of the Group as part of their remuneration. Refer to Remuneration Report – section (g) for further details.

There are 8,000,000 unissued ordinary shares of Carbine Tungsten Limited under option including performance rights at the date of this report. Refer to Note 14(b) for further details.

During or since the end of the financial year 6,452,273 unlisted options at an exercise price of $0.10 issued as part of the placement to professional and sophisticated investors on 15 November 2013 were exercised in full before the expiry date of 15 November 2014.

REMUNERATION REPORT - AUDITED

This report for the year ended 30 June 2015 outlines the remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited in accordance with section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements of key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term 'Executive' includes the executive directors, senior executives and general managers of the Group, whilst the term 'NED' refers to Non-Executive Directors only.

The Remuneration Report is set out under the following main headings:

(a) Policy Used to Determine the Nature and Amount of Remuneration;

(b) Key Management Personnel;

(c) Details of Remuneration;

(d) Cash Bonuses;

(e) Equity Instruments;

(f) Options and Rights Granted as Remuneration;

(g) Equity Instruments Issued on Exercise of Remuneration Options;

(h) Value of Performance Rights to Key Management Personnel and Executives;

(i) Service Agreements; and

(j) Carbine's Financial Performance.

(a) Policy Used to Determine the Nature and Amount of Remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness;
- Acceptability to shareholders;

- Performance linkage / alignment of executive compensation;
- Transparency; and
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the Senior Management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-executive Directors, Senior Executives and Officers are entitled to receive Performance Rights under the Company's Awards Plan which was approved by shareholders at the Annual General Meeting on 8 November 2012.

Fees for Non-executive Directors are not linked to the performance of the Group.

Use of Remuneration Consultants

The Group has not used any remuneration consultants during the year.

Voting and Comments made at the Group's 2014 Annual General Meeting

The Group received no votes against its Remuneration Report for the 2014 financial year and did not receive any specific feedback on its remuneration practices at the 2014 Annual General Meeting or during the year.

(b) Key Management Personnel

The following persons were Key Management Personnel of the Carbine Tungsten Limited Group during the financial year:

	Position	Appointment	Resignation
Directors			
R.H. Krause	Non-Executive Chairman	30 June 2013	-
A.J. Morgan	Managing Director and Chief Executive Officer	2 April 2012	-
R.W. Nice	Non-Executive Director	30 June 2013	-
A.E. Gordon	Non-Executive Director	26 November 2012	10 November 2014
Executives			
J. Basic	General Manager (Operations)	8 April 2014	-
D.W. Clark	Chief Financial Officer and Company Secretary	17 April 2014 10 July 2014	-

(c) Details of Remuneration

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-executive Directors has been fixed at a maximum of $200,000 per annum to be apportioned among the Non-executive Directors in such a manner as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board Meetings and otherwise in the execution of their duties as Directors.

Details of the nature and amount of each element of the remuneration of each of the Directors of Carbine Tungsten Limited, the Key Management Personnel of the Company and the consolidated entity who received the highest emoluments during the year ended 30 June 2015 are set out in the following tables:

2015	Short-term employee benefits – cash salary and fees $	Post-employment Super-annuation $	Long – term employee benefits $	Share-based payments Shares $	Options $	Total $	% Performance Based
Directors							`
A.J. Morgan	269,040	-	-	180,000	40,000	489,040	0%
R.H. Krause	60,000	-	-	120,000	40,000	220,000	0%
R.W. Nice	-	-	-	120,000	40,000	160,000	0%
A.E. Gordon[1]	20,000	-	-	120,000	40,000	180,000	0%
Executives							
J. Basic	162,587	-	-	-	-	162,587	0%
D.W. Clark	73,322	-	-	30,000	-	103,322	0%
Total key management personnel compensation	**584,949**	**-**	**-**	**570,000**	**160,000**	**1,314,949**	

[1] Resigned 10 November 2014

2014	Short-term employee benefits – cash salary and fees $	Post-employment Super-annuation $	Long – term employee benefits $	Share-based payments Shares $	Options $	Total $	% Performance Based
Directors							
A.J. Morgan*	240,000	-	-	36,000*	-	276,000	13%
R.H. Krause	60,000	-	-	-	-	60,000	-
A.E. Gordon	34,000	-	-	-	-	34,000	-
Executives							
J. Basic	119,900	-	-	-	-	119,900	-
D.W. Clark	22,025	-	-	-	-	22,025	-
Total key management personnel compensation	**475,925**			**36,000**	**-**	**511,925**	

*A.J. Morgan received 400,000 shares (valued at $36,000) from the vesting of performance rights issued in the prior year. The portion of Mr Morgan's salary that is performance based in the 2014 year is nil. Mr Morgan was required to remain in employment with Carbine until 1 January 2013 in order for these rights to vest. These performance benchmarks and the Carbine Awards Plan were approved following the passing of Resolutions 12 and 13 at the Company's Annual General Meeting held on 8 November 2012.

Options and shares do not represent cash payments to Directors or Senior Executives and performance rights/share options granted may or may not be exercised by the Directors or Executives.

During the financial year to 30 June 2015 no new share Performance Rights were granted to Directors.

Options granted as a part of Director and Executive remuneration are valued using the Black and Scholes Option-pricing Model which takes into account factors including the option exercise price, the share price at time of grant, volatility of the underlying share price, the risk-free interest rate and the expected life of the option.

Fair Value of Options

The fair value of each option is estimated on the date of grant using the Black and Scholes Option-pricing Model with the relative weighted average assumptions applicable to each grant made.

d) Cash Bonuses

No cash bonuses were paid to Directors or Key Management Personnel during the 2014-2015 financial year.

(e) Equity Instruments

The Company rewards Directors and Executives for their performance and aligns their remuneration with the creation of shareholder wealth by issuing shares, options or performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or receive any guaranteed benefits.

(i) Shareholdings

On 19 December 2014 the Directors undertook a performance review of employees and consultants and resolved to issue 882,173 shares to key management personnel for nil consideration at a deemed value of $0.12 per share pursuant to an incentive scheme.

On 26 September 2014, the Remuneration Committee undertook a performance review of the Board. Taking into account the existing remuneration packages for each Director (details of which are set out below in Remuneration Report - Section (c) above), to preserve cash resources for project development and as an incentive to achieve sustainable growth in shareholder value, the Remuneration Committee recommended the issue of 4.5 million shares at the deemed issue price of $0.12 per share. The Company's share price at the date of the review was trading at and around $0.11. At the Company's Annual General Meeting held on 12 November 2014 shareholders approved the resolution to issue 4.5 million shares to the Directors and these shares were issued to Directors on 10 December 2014 and vested immediately.

The trading of the shares issued pursuant to the Company's Awards Plan are subject to the Company's Securities Trading Policy; further, Directors, Key Management Personnel and employees are encouraged not to trade shares granted in order to align Director, Key Management Personnel and employee interests with those of all shareholders.

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by Directors and Key Management Personnel and their related parties are as follows:

30 June 2015	Balance at 1 July 2014	Granted as compensation	Received on exercise of Performance Rights	Other changes	Balance at 30 June 2015	Balance held nominally
Name						
R.H. Krause	-	1,000,000	-	-	1,000,000	-
A.J. Morgan	4,298,801	1,500,000	-	-	5,798,801	-
A.E. Gordon[1]	72,000	1,000,000	-	(1,072,000)	-	-
R.W. Nice	100,000	1,000,000	-	-	1,100,000	-
J. Basic	-	-	-	-	-	-
D.W. Clark	101,127	250,000	-	-	351,127	-
	4,571,928	**4,750,000**	**-**	**(1,072,000)**	**8,249,928**	**-**

[1] Resigned on 10 November 2014

Valuation of Shares Granted to Key Management Personnel as Remuneration in the 2015 Financial Year

30 June 2015	Number of granted shares	Deemed value	Total value of shares	Share-Based Payments During the year	Share-Based Payments Not yet recognised	Vested Number of Shares	% Shares Vested
Name							
R.H. Krause	1,000,000	$0.12	120,000	120,000	-	120,000	100%
A.J. Morgan	1,500,000	$0.12	180,000	180,000	-	180,000	100%
A.E. Gordon[1]	1,000,000	$0.12	120,000	120,000	-	120,000	100%
R.W. Nice	1,000,000	$0.12	120,000	120,000	-	120,000	100%
J. Basic	-	-	-	-	-	-	-
D.W. Clark	250,000	$0.12	30,000	30,000	-	30,000	100%
	4,750,000	**-**	**570,000**	**570,000**	**-**	**570,000**	**-**

[1] Resigned on 10 November 2014

There were no shares granted to Key Management Personnel as remuneration during the 2014 financial year. A.J. Morgan received 400,000 shares (valued at $36,000) from the vesting of performance rights issued in the prior year.

(ii) Options and Performance Rights Holdings

Details of options and rights held directly, indirectly or beneficially by Directors and Key Management Personnel and their related parties are as follows:

30 June 2015	Balance at 1 July 2014	Granted as compensation	Rights exercised	Other changes	Balance at 30 June 2015	Total vested at 30 June 2015	Total vested and exercisable at 30 June 2015	Total vested and unexercisable at 30 June 2015
Name								
R.H. Krause	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
A.J. Morgan	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
A.E. Gordon[1]	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
R.W. Nice	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
	-	8,000,000	-	-	8,000,000	8,000,000	8,000,000	-

[1]Resigned on 10 November 2014

(iii) Loans to Key Management Personnel

No loans have been made to Directors of the Company or the Key Management Personnel of the consolidated Group, including their personally-related entities.

(iv) Other Transactions and Balances

Consulting Services

Carbine Tungsten Limited's Chairman, Mr Krause is a Director and shareholder in JLK Consulting Pty Ltd. Managing Director, Mr Morgan is a Director and shareholder in Projectex Pty Ltd. Director Mr Gordon is a Director and shareholder in Hanuman Corporate Pty Ltd and Achilles Financial Pty Ltd. All of these entities have provided specialist consulting services to the Group during the financial year as shown below. These services were based upon normal commercial terms and conditions and recognised as an expense during the period.

	2015	2014
	$	**$**
R.H. Krause (JLK Consulting Pty Ltd)	**60,000**	60,000
A.J. Morgan (Projectex Pty Ltd)	**269,040**	240,000
A.E. Gordon (Hanuman Corporate Pty Ltd and Achilles Financial Pty Ltd)	**20,000**	34,000
	349,040	334,000

Aggregate amounts of liabilities at reporting date relating to consulting services with Directors and Key Management Personnel of the group are as follows:		
Current liabilities	**8,910**	5,500

(f) Options and Rights Granted as Remuneration

On 26 September 2014, the Remuneration Committee undertook a performance review of the Board. Taking into account the existing remuneration packages for each Director (details of which are set out below in Remuneration Report - Section (c) above), to preserve cash resources for project development and as an incentive to achieve sustainable growth in shareholder value, the Remuneration Committee recommended the grant of 8 million unlisted options at an exercise issue price of $0.20 per option expiring on 12 November 2017. The Company's share price at the date of the review was trading at and around $0.11. At the Company's Annual General Meeting held on 12 November 2014 shareholders approved the resolution to issue 8 million options at an exercise issue price of $0.20 per option expiring on 12 November 2017 to the Directors. These options were issued to Directors pursuant to the Company's Employee Awards Plan on 10 December 2014 and vested immediately.

Valuation of Options Granted to Key Management Personnel as Remuneration in the 2015 Financial Year

						Share-Based Payments		
30 June 2015	Number of granted options	Grant date	Expiry date	Fair Value per option at grant date	Total Fair Value of Options	Expensed in prior periods	Expensed in the current year	AASB 2 Not yet expensed
Name								
R.H. Krause	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	-	8,400	31,600
A.J. Morgan	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	-	8,400	31,600
A.E. Gordon[1]	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	-	8,400	31,600
R.W. Nice	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	-	8,400	31,600
	8,000,000			**$0.02**	**160,000**	**-**	**33,600**	**126,400**

[1]Resigned 10 November 2014

(g) Equity Instruments Issued on Exercise of Remuneration Options

No equity instruments were issued during the 2015 financial year to Directors or other Key Management Personnel as a result of options exercised that had previously been granted as remuneration.

On 17 November 2014 the following unlisted ex-Key Management Personnel options expired without exercise:

Former Key Management Personnel	Number of KMP Options Lapsed	Financial Year Options Originally Granted
J.R. Bishop	500,000	2010
D. Milburn	900,000	2010
Total Lapsed Options	**1,400,000**	

(h) Value of Performance Rights to Key Management Personnel and Executives

No Performance Rights were granted to Directors and Key Management Personnel as remuneration during the 2014-2015 financial year.

(i) Service Agreements

Remuneration and other terms of employment for the Directors and Executives are formalised in Service/Appointment Agreements.

All contracts with Executives may be terminated early by either party within the stipulated notice period, subject to any termination payments as detailed below.

R.H. Krause

There is no written agreement with Mr Krause, who received in his role as Non-executive Chairman of the Company, cash payments and benefits totalling $60,000 and share based payments of $128,400 during the 2015 financial year. The payments were made through JLK Consulting Pty Ltd and Penause Pty Ltd, companies in which Mr Krause has a substantial interest.

A.J. Morgan

There is an agreement dated 22 June 2012 between Carbine Tungsten Limited and Projectex Pty Ltd (a company associated with A.J. Morgan) whereby Projectex Pty Ltd provides management services to Carbine Tungsten Limited in the role of Managing Director and Chief Executive Officer on a remuneration package of $240,000 per annum. A three month notice period is required to terminate the agreement. Annual performance reviews are to be completed around May/June each year.

Projectex Pty Ltd received cash payments and benefits totalling $269,040 and share based payments of $188,400 during the 2015 financial year.

A.E. Gordon

There is no written agreement with Mr Gordon, who received up until his resignation on 10 November 2014 as Non-executive Director, cash payments and benefits totalling $20,000 and share based payments of $128,400. The payments were made to Achilles Financial Pty Ltd a company in which Mr Gordon has a substantial interest.

R.W. Nice

There is no written agreement with Mr Nice, who received in his role as Non-executive Director, share based payments of $128,400 during the 2015 financial year.

J. Basic

There is an agreement dated 8 April 2014 between Carbine Tungsten Limited and Jovo Basic Consulting Pty Ltd (a company associated with J. Basic) whereby Jovo Basic Consulting Pty Ltd provides management services to Carbine Tungsten Limited in the role of General Manager (Operations) on an agreed upon fee structure. Mr Basic's contract will continue until the agreement is validly terminated. The Company or Mr Basic may terminate the contract by giving thirty (30) days written notice.

D.W. Clark

There is an agreement dated 8 January 2014 between Carbine Tungsten Limited and D.W. Clark whereby Mr Clark agrees to provide management services to Carbine Tungsten Limited in the role of External Accountant on an agreed upon fee structure. On 11 July 2014, Mr Clark was appointed Company Secretary. Mr Clark's contract will continue until the agreement is validly terminated. The Company or Mr Clark may terminate the contract by giving one month's written notice.

(j) Carbine's Financial Performance

Carbine's financial performance for the five years to 30 June 2015 is noted below and the relationship between results and performance is discussed.

Year ended	Measure	2015	2014	2013	2012	2011
Net loss after tax	$	(2,415,229)	(2,001,531)	(5,666,542)	(2,146,556)	229,130
Net Assets	$	11,189,606	12,237,120	13,393,476	16,328,341	7,559,110
Cash and cash equivalents	$	1,817,147	2,124,913	1,464,162	975,085	375,381
Cash flows from operating activities	$	(633,185)	(1,146,400)	(1,992,267)	(785,664)	180,820
EBITDA	$	(2,947,497)	(3,394,025)	(4,708,742)	(1,855,579)	202,389
Share price at 30 June	$	$0.125	$0.10	$0.05	$0.10	$0.08
Basic Earnings/(loss) per share	Cents	(0.79)	(0.69)	(2.06)	(0.97)	0.002

Financial Performance

The loss of the consolidated Group for the financial year after tax amounted to $2,415,229 (2014: $2,001,531).

The Group is creating value for shareholders through the development of the Group's Mt Carbine Hard Rock Project.

During the year the Board undertook to consolidate the Hard Rock operations with a view to securing US$15 million in project level funding for the low grade stockpiles. Carbine also continued to carry out pilot and laboratory test programs at its Research and Development Tailings Retreatment Plant and received a Research and Development tax offset of $1,546,780 during the year (2014: $2,331,820).

Financial Position

The Group's main activity during the year involved the investment of cash in the Group's Mt Carbine Hard Rock Project that provides Carbine with substantial exploration upside potential. The carrying value of the exploration assets at 30 June 2015 is $6,176,398 (2014: $6,176,398).

As the Group is an exploration and development entity, ongoing exploration and development activities are reliant on future capital raisings. During the year, the Company raised $645,227 from the exercise of 6,452,273 unlisted options at an exercise price of $0.10 cents per share. On 30 June 2015, the Company raised a further $194,376 from the issue of 1,388,400 fully paid ordinary shares to professional and sophisticated investors at a deemed issue price of $0.14 per share.

Equity based incentives provide a viable means of recognising and rewarding performance whilst allowing the Group to invest the vast majority of its cash reserves in the development of the Mt Carbine Hard Rock Project and key exploration activities. The foundation of the equity incentive program is the Carbine Tungsten Limited Awards Plan which is designed to attract, motivate and retain employees, consultants and Non-executive Directors. The Plan is administered by the Board and determines which directors, executives, employees or consultants will be offered the opportunity to participate in the Plan.

On 19 December 2014 the Directors undertook a performance review of employees and consultants and resolved to issue 882,173 shares to Key Management Personnel for nil consideration at a deemed value of $0.12 per share pursuant to an incentive scheme.

At the Company's Annual General Meeting held on 12 November 2014, shareholders approved the grant of 4.5 million shares to the Directors and these shares were issued to Directors on 10 December 2014. The Directors were also granted 8 million unlisted options pursuant to the Company's Awards Plan which was approved by shareholders at the Annual General Meeting held on 12 November 2014. The options were issued on 10 December 2014 and expire on 12 November 2017 with an exercise price of $0.20 and have no vesting conditions. There is currently no relationship between the Company's remuneration policy and its financial performance.

End of audited remuneration report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Constitution of the Company provides that the Company may indemnify (to the maximum extent permitted by law) in favour of:

(1) every person who is or has been an officer of the Company; and

(2) where the Board of Directors considers it appropriate to do so, any person who is or has been an officer of a related body corporate of the Company against any liability incurred by that person in his or her capacity as an officer of the Company or of the related body corporate (as the case may be).

Each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the Director to access Company documents and records, subject to undertakings as to confidentiality.

Insurance Premiums

During the financial period the Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

AUDIT AND NON–AUDIT SERVICES

During the financial year, the following fees for audit and non-audit services were paid or payable to the auditors BDO Audit (NTH QLD) Pty Ltd:

	2015 **$**	2014 $
Audit-related services		
Amounts paid or payable to BDO Audit (NTH QLD) Pty Ltd		
- Audit services	**36,000**	35,000
Taxation services		
Amounts paid or payable to BDO Audit (NTH QLD) Pty Ltd		
- Tax compliance services – tax returns	**7,000**	10,500
	43,000	45,500

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

On the advice of the Audit Committee, the Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act* 2001 is set out and located after the Directors' Declaration and forms part of this Report.

CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website.

Signed at Cairns this 30th day of September 2015 in accordance with a resolution of the Directors.

RUSSELL KRAUSE
Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	**2015**	2014
		$	$
Revenue from ordinary activities	2	**52,777**	614,208
Other income	2	**1,557,534**	2,664,638
Administration expenses		**(363,543)**	(511,497)
Consultant expenses		**(569,318)**	(472,957)
Depreciation	9	**(951,890)**	(939,326)
Development and testwork costs		**(566,826)**	(1,682,193)
Loss on revaluation of investments		**(46,406)**	(105,598)
Exploration written off		**(168,193)**	(544,846)
Finance costs		**(62,622)**	-
Foreign exchange losses		**(247,001)**	-
Occupancy expenses		**(88,047)**	(183,186)
Salaries and employee benefits expense		**(749,839)**	(642,301)
Superannuation		**(28,571)**	(51,251)
Travel and accommodation		**(118,932)**	(118,313)
Other expenses		**(64,352)**	(28,909)
LOSS BEFORE INCOME TAX EXPENSE		**(2,415,229)**	(2,001,531)
INCOME TAX EXPENSE	4	**-**	-
LOSS AFTER INCOME TAX EXPENSE	15	**(2,415,229)**	(2,001,531)
Other comprehensive income for the year		**-**	(5)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO OWNERS OF CARBINE TUNGSTEN LIMITED		**(2,415,229)**	(2,001,536)
		Cents	**Cents**
Basic loss per share	15	**(0.79)**	(0.69)
Diluted loss per share	15	**(0.79)**	(0.69)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	**2015**	2014	1 July 2013
		$	$	$
CURRENT ASSETS			**(Restated)**	**(Restated)**
Cash assets	26(b)	**1,817,147**	2,124,913	1,464,162
Trade and other receivables	6	**45,803**	59,059	167,015
Stock on hand		**-**	-	134,011
Prepayments		**45,993**	37,171	43,700
TOTAL CURRENT ASSETS		**1,908,943**	2,221,143	1,808,888
NON-CURRENT ASSETS				
Receivables	8	**744,696**	861,546	282,081
Plant and equipment	9	**3,933,178**	4,892,385	5,726,725
Deferred exploration and evaluation expenditure	10	**6,176,398**	6,176,398	6,685,941
Financial assets	11	**3,093**	49,500	166,987
TOTAL NON-CURRENT ASSETS		**10,857,365**	11,979,829	12,861,734
TOTAL ASSETS		**12,766,308**	14,200,972	14,670,622
CURRENT LIABILITIES				
Payables	12	**270,792**	902,202	1,277,146
Borrowings	13	**1,305,910**	1,061,650	-
TOTAL CURRENT LIABILITIES		**1,576,702**	1,963,852	1,277,146
TOTAL LIABILITIES		**1,576,702**	1,963,852	1,277,146
NET ASSETS		**11,189,606**	12,237,120	13,393,476
EQUITY				
Issued capital	14	**29,271,250**	27,812,168	26,965,917
Accumulated losses		**(18,549,088)**	(16,133,859)	(14,132,328)
Share-based payments reserve		**467,444**	558,811	559,882
Non-controlling interest		**-**	-	5
TOTAL EQUITY		**11,189,606**	12,237,120	13,393,476

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from customers		**-**	722,800
Payment to suppliers and employees		**(2,230,202)**	(4,343,060)
R & D Tax concession offset received		**1,546,780**	2,331,820
Other receipts		**5,783**	137,699
Interest received		**44,454**	4,341
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	26(a)	**(633,185)**	(1,146,400)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for the purchase of plant and equipment		**(26,187)**	(119,761)
Proceeds from the sale or disposal of plant and equipment		**2,273**	2,842
Payments for Tenement Security Deposits		**(588,995)**	-
Proceeds from the release of Tenement Security Deposits		**118,200**	-
Proceeds from sale of investments		**-**	97,850
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(494,709)**	(19,069)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		**820,128**	709,750
Loans received		**-**	1,116,470
NET CASH FLOWS FROM FINANCING ACTIVITIES		**820,128**	1,826,220
Net (decrease)/increase in cash held		**(307,766)**	660,751
Add opening cash brought forward		**2,124,913**	1,464,162
CLOSING CASH CARRIED FORWARD	26(b)	**1,817,147**	2,124,913

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Attributable to the Shareholders of Carbine Tungsten Limited				
	Issued Capital	Accumulated Losses	Reserves	Non-controlling Interest	Total Equity
CONSOLIDATED	**$**	**$**	**$**	**$**	**$**
AT 1 JULY 2013	**26,965,917**	**(13,412,303)**	**559,882**	**5**	**14,113,501**
Prior period adjustment – Note 1(t) and 3	-	(720,025)	-	-	(720,025)
AT 1 JULY 2013 RESTATED	**26,965,917**	**(14,132,328)**	**559,882**	**5**	**13,393,476**
Prior period adjustment	-	-	-	(5)	(5)
Profit/(Loss) for the period	-	(2,001,531)	-	-	(2,001,531)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	**-**	**(2,001,531)**	**-**	**(5)**	**(2,001,536)**
Transactions with owners in their capacity as owners					
Issue of share capital	846,251	-	-	-	846,251
Share based payments	-	-	(1,071)	-	(1,071)
Total transactions with owners in their capacity as owners	**846,251**	**-**	**(1,071)**	**-**	**845,180**
BALANCE AT 30 JUNE 2014 RESTATED	**27,812,168**	**(16,133,859)**	**558,811**	**-**	**12,237,120**
AT 1 JULY 2014	**27,812,168**	**(16,133,859)**	**558,811**	**-**	**12,237,120**
Loss for the period	-	**(2,415,229)**	-	-	**(2,415,229)**
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	**(2,415,229)**	-	-	**(2,415,229)**
Transactions with owners in their capacity as owners					
Issue of share capital	1,482,045	-	-	-	1,482,045
Share issue costs	(22,963)	-	-	-	(22,963)
Lapse of options	-	-	(120,205)	-	(120,205)
Share based payments	-	-	28,838	-	28,838
Total transactions with owners in their capacity as owners	1,459,082	-	(91,367)	-	1,367,715
BALANCE AT 30 JUNE 2015	**29,271,250**	**(18,549,088)**	**467,444**	**-**	**11,189,606**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Going Concern Basis for Preparation of Financial Statements

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Company to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful development and subsequent exploitation of the Company's tenements and/or sale of non-core assets. Should the Company not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. If the Company is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the financial statements.

The Directors are cognisant of the fact that future development and administration activities are constrained by available cash assets.

The Directors are confident of securing funds if and when necessary to meet the Company's obligations as and when they fall due, and consider the adoption of the going concern basis to be appropriate in the preparation of these financial statements.

(b) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. These financial statements have been prepared on a historical cost basis. The financial report is presented in Australian currency. The consolidated entity operates on a for-profit basis.

(c) Statement of Compliance

The financial statements have been prepared and comply with Australian Accounting Standards. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Carbine Tungsten Limited ("the Company" or "Carbine") and its subsidiaries ("the Group") as at 30 June each year. Subsidiaries are entities over which the Company has control. Control is defined as entities which the group has rights to or is exposed to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date upon which control is transferred to the Group and cease to be consolidated from the date upon which control is transferred out of the Group.

(e) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated either on a diminishing value or straight-line basis over the estimated useful life of the asset. Plant and equipment useful life ranges from 2 – 10 years.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(f) Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the accounting policy for borrowing costs.

Borrowings are classified as current unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value on a “first in first out” basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Cost is determined on the following basis:

- Tungsten on hand is valued on an average total production cost method.
- Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage.
- A proportion of related depreciation and amortisation charge is included in the cost of inventory.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated future selling price in the ordinary course of business, based on prevailing metal prices, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

(i) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business at the end of the reporting period.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset.

(j) Exploration, Evaluation, Development and Restoration Costs

Exploration and Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and Evaluation – Impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in profit or loss when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(k) Mine Property Held for Sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and Provisions – Mine Property Held for Sale, as applicable, and carried at the value at which the liability or provisions are expected to be settled.

(l) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(m) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

(n) Other Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(p) Share-based Payments

The Carbine Tungsten Limited Awards Plan was approved by shareholders at the Annual General Meeting on 8 November 2012. This replaces the previous employee share option scheme approved in 2006. The Awards Plan provides the Group the ability to provide employees, including Directors and other permitted persons share based payment benefits, including Performance Rights and Options. The issue of Performance Rights or Options is subject to the rules of the Awards Plan and can be issued for nil consideration and against performance or other criteria and will not be quoted on the ASX.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (a) the extent to which the vesting period has expired and (b) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

(q) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(r) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(s) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

(t) Change in Accounting Policy for the Research and Development (R&D) Tax Offset

The R&D Tax Offset replaced the R&D Tax Concession for research and development expenditure incurred in income years commencing on or after 1 July 2011. The consolidated entity has retrospectively applied a new accounting policy in accordance with AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance. Under this new policy any R&D tax offsets received are offset against the carrying value of the exploration assets to the extent to which deferred expenditure relates to expenses claimed in an R&D Tax Offset. This change represents a voluntary change in accounting policy. For the year ended 30 June 2014, this change in accounting policy resulted in a reduction in the carrying value of deferred exploration assets through a prior period adjustment of $720,025 which was credited from deferred expenditure and debited to accumulated losses at 30 June 2013 and the impact has carried forward to the 2014 financial year. For the year ended 30 June 2015 and 30 June 2014, the R&D Tax Offset amount of $1,546,780 (2014: $2,331,820) was reclassified from Income Tax Benefit to Other Income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as no deferred expenditure was claimed in the 2015 and 2014 R&D Tax Offset applications.

(u) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Currency

Both the functional and presentation currency is Australian dollars (A$).

(w) Investment in Subsidiaries

The parent entity's investment in its subsidiaries is accounted for under the cost method of accounting in the Company's financial statements included in Note 31.

(x) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than the previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income Tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Impairment of Non-financial Assets other than Goodwill and other Indefinite Life Intangible Assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Exploration and Evaluation Assets

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that, should there be any indication of impairment. No impairment was made for the year ended 30 June 2015.

2. REVENUE FROM ORDINARY ACTIVITIES AND OTHER INCOME

	2015	2014
	$	$
Revenue from ordinary activities		
Interest received – other persons/corporation	**52,777**	6,349
Sale of Tungsten Concentrate	**-**	607,859
	52,777	614,208
Other income		
Research and development tax concession refund	**1,546,780**	2,331,820
Reimbursement of laboratory testwork	**-**	107,351
Foreign exchange gain	**-**	30,152
Gain on disposal of assets	**-**	74,027
Diesel Fuel Rebates	**4,274**	78,627
Other income	**6,480**	42,661
	1,557,534	2,664,638
Total revenue from ordinary activities and other income	**1,610,311**	3,278,846

3. RESTATEMENT OF COMPARATIVES

The R&D Tax Offset replaced the R&D Tax Concession for research and development expenditure incurred in income years commencing on or after 1 July 2011. The consolidated entity has retrospectively applied a new accounting policy in accordance with AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance. Under this new policy any R&D tax offsets received are offset against the carrying value of the exploration assets to the extent to which deferred expenditure relates to expenses claimed in an R&D Tax Offset. This change represents a voluntary change in accounting policy. For the year ended 30 June 2013, this change in accounting policy resulted in a reduction in the carrying value of deferred exploration assets of $720,025 which was credited from deferred expenditure and debited to accumulated losses at 30 June 2013 and the impact has carried forward to the 2014 financial year. There was no change to EPS in the 2014 financial year as a result of this restatement of comparatives. For the year ended 30 June 2015 and 30 June 2014, the R&D Tax Offset amount of $1,546,780 (2014: $2,331,820) was reclassified from Income Tax Benefit to Other Income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as no deferred expenditure was claimed in the 2015 and 2014 R&D Tax Offset applications.

	2014		2014
	$	$	$
Consolidated Statement of Profit or Loss and Other Comprehensive Income	**Reported**	**Adjustment**	**Restated**
Extract			
Other income	332,818	2,331,820	2,664,638
Loss before income tax expense	(4,333,351)	2,331,820	(2,001,531)
Income Tax Benefit/(Expense)	2,331,820	(2,331,820)	-
Loss after income tax expense	(2,001,531)	-	(2,001,531)
Other comprehensive income for the year	(5)	-	(5)
Total Comprehensive (Loss) attributable to owners of Carbine Tungsten Ltd	(2,001,536)	-	(2,001,536)

	1 July 2013		1 July 2013
	$	$	$
Consolidated Statement of Financial Position at the beginning of the earliest comparative period	**Reported**	**Adjustment**	**Restated**
Extract			
Assets			
Deferred exploration and evaluation expenditure	7,405,966	(720,025)	6,685,941
Total Assets	15,390,647	(720,025)	14,670,622
Net Assets	14,113,501	(720,025)	13,393,476
Equity			
Accumulated Losses	(13,412,303)	(720,025)	(14,132,328)
Total Equity	14,113,501	(720,025)	13,393,476

	2014		2014
	$	$	$
Consolidated Statement of Financial Position at the end of the earliest comparative period	**Reported**	**Adjustment**	**Restated**
Extract			
Assets			
Deferred exploration and evaluation expenditure	6,896,423	(720,025)	6,176,398
Total Assets	14,920,997	(720,025)	14,200,972
Net Assets	12,957,145	(720,025)	12,237,120
Equity			
Accumulated Losses	(15,413,834)	(720,025)	(16,133,859)
Total Equity	12,957,145	(720,025)	12,237,120

4. INCOME TAX

	2015	2014
	$	$
(a) Income tax expense		
Current income tax		
Current income tax benefit	**(621,207)**	(623,956)
Current income tax benefit not recognised	**760,630**	600,459
Deferred income tax		
Relating to deductible and taxable temporary differences	**(139,423)**	23,497
Income tax (benefit)/expense	**-**	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	**(2,415,229)**	(2,001,531)
Tax at the Australian rate of 30% (2013: 30%)	**(724,569)**	(600,459)
Tax effect of amounts which are not taxable in calculating taxable income:		
Deferred tax asset not recognised	**724,569**	600,459
Income tax (benefit)/expense	**-**	-
(c) Deferred tax		
Assets		
Tax losses available to offset against future taxable income	**1,819,570**	1,819,582
Accrued expenses	**37,355**	37,750
Employee leave liabilities	**13,141**	7,591
	1,870,066	1,864,923
Liabilities		
Capitalised exploration and evaluation expenditure	**1,852,919**	1,852,919
Prepaid expenses	**17,147**	12,004
	1,870,066	1,864,923
Net deferred tax asset	**-**	-
(d) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	**2,517,619**	1,109,344
	2,517,619	1,109,344

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2015.

Deferred tax assets have not been recognised in respect of these items because it is not probable in the short to medium term that these assets will be realised. The Group has total tax losses at 30 June 2015 of $14,457,296 (2014: $12,565,978). A future income tax benefit which may arise from tax losses of 30% of approximately $4,337,189 will only be obtained if:

- The Parent and the Subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The Parent and the Subsidiaries continue to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the Parent and the Subsidiaries in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

No franking credits are available for subsequent years.

Tax Consolidation

The Tax consolidation scheme is applicable to the Company. As at the date of this report the Directors have not assessed the financial effect, if any, the scheme may have on the Company and the consolidated entities and accordingly the Directors have not made a decision whether or not to be taxed as a single entity. The financial effect of the tax consolidation scheme on the Group has not been recognised in the financial statements.

5. AUDITORS' REMUNERATION

	2015	2014
	$	$
Total amounts receivable by the current auditors of the Company for:		
- Audit of the Company's accounts	**36,000**	35,000
- Tax compliance services – tax returns	**7,000**	10,500
	43,000	45,500

	2015	2014
	$	$

6. RECEIVABLES – CURRENT

	2015 $	2014 $
Interest	**11,164**	2,841
Refund for GST paid	**27,130**	47,618
Trade Receivables	**7,128**	724
Other	**381**	7,876
Other receivables	**45,803**	59,059

7. INVENTORY

	2015 $	2014 $
Stock on hand 1 July 2014	**-**	134,011
Additions	**-**	-
Disposals	**-**	(134,011)
Total tungsten concentrate on hand as at 30 June 2015 – at cost	**-**	-

8. RECEIVABLES – NON CURRENT

	2015 $	2014 $
Tenement security deposits	**726,121**	841,621
Other security deposits	**18,575**	19,925
	744,696	861,546

The tenement deposits are restricted so that they are available for any rehabilitation that may be required on the mining exploration tenements (refer to Note 23).

9. PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and equipment – at cost	**7,015,165**	7,084,881
Accumulated depreciation	**(3,081,987)**	(2,192,496)
	3,933,178	4,892,385

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

	2015 $	2014 $
Carrying amount at beginning	**4,892,385**	5,726,725
Additions	**26,203**	119,760
Disposals	**(33,520)**	(14,774)
Depreciation expense	**(951,890)**	(939,326)
	3,933,178	4,892,385

10. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2015 $	2014 $
Costs brought forward	**6,176,398**	6,685,941
Costs incurred during the period	**-**	-
Expenditure written off during period	**-**	(509,543)
Costs carried forward	**6,176,398**	6,176,398

Exploration expenditure costs carried forward are made up of:

	2015 $	2014 $
Expenditure on joint venture areas	**-**	-
Expenditure on non-joint venture areas	**6,176,398**	6,176,398
Costs carried forward	**6,176,398**	6,176,398

The consolidated entity has retrospectively applied a new accounting policy in accordance with AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance. Under this new policy any R&D tax offsets received are now being offset against the carrying value of the exploration assets to the extent to which deferred expenditure relates to expenses claimed in an R&D Tax Offset.

This change in accounting policy resulted in a reduction in the carrying value of deferred exploration assets through a prior period adjustment of $720,025 which was credited from deferred expenditure and debited to accumulated losses. Refer to Note 3 for further information.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

11. FINANCIAL ASSETS

	2015 $	2014 $
Sovereign Gold Company Ltd	**3,093**	49,500
	3,093	49,500

12. CURRENT LIABILITIES – PAYABLES

	2015 $	2014 $
Trade creditors	**52,997**	148,778
Accrued expenses	**124,515**	60,182
Royalties	**51,936**	65,649
Financial assurance payable	**-**	588,895
Other	**41,344**	38,698
	270,792	902,202

13. BORROWINGS

	2015 $	2014 $
Secured loan from Mitsubishi Corporation RtM Japan Ltd	**1,305,910**	1,061,650
	1,305,910	1,061,650

The US$1 Million (AU$1,305,910) loan facility was established in February 2014 from Mitsubishi Corporation RtM Japan Ltd and is secured against 2.7% of the equity of Carbine's fully owned subsidiary Tungsten Resources Pty Ltd. The loan is repayable in full within 24 months after drawdown and bears an interest rate of 3% per annum with the first interest payment due 12 months after the drawdown date.

14. CONTRIBUTED EQUITY

	2015 $	2014 $
Share Capital		
309,968,026 (2014: 296,745,179) ordinary shares fully paid	**29,271,250**	27,812,168

(a) Movements in Ordinary Share Capital

1 July 2014 to 30 June 2015	Date	Number of Shares	Issue Price	$
Balance b/fwd		**296,745,179**		**27,812,168**
Shares issued to Directors as remuneration at a deemed value of $0.12 per share as approved by shareholders at the 2014 AGM.	12-11-14	4,500,000	$0.12	540,000
Shares issued from the exercise of options	22-10-14	270,000	$0.10	27,000
Shares issued from the exercise of options	31-10-14	250,000	$0.10	25,000
Shares issued from the exercise of options	04-11-14	500,000	$0.10	50,000
Shares issued from the exercise of options	06-11-14	205,000	$0.10	20,500
Shares issued from the exercise of options	07-11-14	454,546	$0.10	45,454
Shares issued from the exercise of options	10-11-14	1,181,818	$0.10	118,182
Shares issued from the exercise of options	13-11-14	2,909,092	$0.10	290,909

	Date	Number of Shares	Issue Price	$
Shares issued from the exercise of options	17-11-14	363,636	$0.10	36,364
Shares issued from the exercise of options	18-11-14	318,182	$0.10	31,818
Shares issued for consulting services	23-12-14	450,000	$0.12	54,000
Shares issued under employee share scheme	23-12-14	432,173	**	47,000
Shares issued under a placement	30-06-15	1,388,400	$0.14	195,818
Share issue costs				(22,963)
Balance as at 30 June 2015		**309,968,026**		**29,271,250**
1 July 2013 to 30 June 2014				
Balance b/fwd		281,936,594		26,965,917
Shares issued for consulting services	31 Oct 13	539,859	**	45,000
Shares issued under a placement	19 Nov 13	12,904,546	$0.055	709,750
Shares issued for consulting services	30 Dec 13	453,356	**	31,800
Shares issued under employee share scheme	30 Dec 13	510,824	**	23,701
Shares issued from vesting Performance Rights	04 Apr 14	400,000	$0.09	36,000
Balance as at 30 June 2014		**296,745,179**		**27,812,168**

**Various issue prices.

Terms and Conditions of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up, on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

Options

The following options are outstanding at the end of the reporting period.

(b) Movements in Options and Performance Rights

Unlisted Options and Performance Rights	Date	Number of Options	Exercise Price	Maturity
1 July 2009 to 30 June 2015				
Options issued free under Company's ESOP	26-06-09	1,500,000	$0.34	30-11-2013
Options issued free under Company's ESOP	16-12-09	450,000	$0.14	17-11-2014
Options issued free under Company's ESOP	16-12-09	950,000	$0.19	17-11-2014
Performance Rights issued	07-12-12	2,400,000		
Performance Rights exercised	13-05-13	(1,000,000)		
Options issued free under share placement	15-11-13	6,452,273	$0.10	15-11-2014
Options issued free under Company's ESOP lapsed	30-11-13	(1,500,000)	$0.34	30-11-2013
Performance Rights exercised	04-04-14	(400,000)		
Performance Rights lapsed	04-04-14	(1,000,000)		
Options issued to Directors as remuneration approved by shareholders at the 2014 AGM	12-11-14	8,000,000	$0.20	12-11-2017
Options exercised at $0.10 preset strike price	15-11-14	(6,452,273)		
Options lapsed under Company's ESOP	17-11-14	(450,000)		
Options lapsed under Company's ESOP	17-11-14	(950,000)		
Balance as at 30 June 2015		**8,000,000**		

15. EARNINGS PER SHARE

	2015	2014
	$	$
Loss after income tax attributable to the owners of Carbine Tungsten Limited used in calculating basic and diluted earnings per share	**(2,415,229)**	(2,001,531)
	Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	**303,827,033**	290,936,778
Weighted average number of ordinary shares used in calculating diluted earnings per share. Note options outstanding at reporting date have not been brought to account as they are anti-dilutive.	**303,827,033**	290,936,778
	Cents	Cents
Basic (loss) per share (cents)	**(0.79)**	(0.69)
Diluted loss per share (cents)	**(0.79)**	(0.69)

Conversion, call, subscription or issue after 30 June 2015:

Since the end of the financial period, and before the reporting date of these financial statements, there have been no conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares have taken place.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	**584,949**	475,925
Post-employment benefits	**-**	-
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share based payments	**730,000**	36,000
Balance at the end of period	**1,314,949**	511,925

17. RELATED PARTY DISCLOSURES

The Directors in office during the financial year were Mr Krause, Mr Morgan, Mr Nice and Mr Gordon who resigned from his position as Non-executive Director on 10 November 2014.

Mr Morgan is a Director and shareholder in Projectex Pty Ltd, a company that provides technical and management services to the Company. Services provided during the period ended 30 June 2015 as detailed in Note (c) of the Remuneration Report were settled via the payment of cash benefits amounting to $269,040 and share based payments amounting to $188,400.

Mr Krause is a Director and shareholder in JLK Consulting Pty Ltd and Penause Pty Ltd, companies that provided corporate and management services to the Company. Services provided during the period ended 30 June 2015 as detailed in Note (c) of the Remuneration Report were settled via the payment of cash benefits amounting to $60,000 and share based payments amounting to $128,400.

Mr Nice provides corporate and management services to the Company. Services provided during the period ended 30 June 2015 as detailed in Note (c) of the Remuneration Report were settled via the issue of share based payments amounting to $128,400.

Mr Gordon is a Director and shareholder in Hanuman Corporate Pty Ltd and Achilles Financial Pty Ltd, companies that provided corporate and management services to the Company up until Mr Gordon's resignation as a Non-executive Director on 10 November 2014. Services provided during the period ended 30 June 2015 as detailed in Note (c) of the Remuneration Report were settled via the payment of cash benefits amounting to $20,000 and share based payments amounting to $128,400.

Mr Clark is principal of D.W. Clark & Co., Chartered Accountant, an entity that provides accounting, taxation and secretarial services to the Company. Services provided during the period ended 30 June 2015 as detailed in Note (c) of the Remuneration Report were settled via the payment of cash benefits amounting to $73,322 and share based payments amounting to $30,000.

Services provided by Director-related and key management personnel entities were under normal commercial terms and conditions. No other benefits have been received or are receivable by Directors and key management personnel, other than those already disclosed in the notes to the accounts.

Aggregate amounts of liabilities at reporting date relating to consulting services with Directors and Key Management Personnel of the group are as follows:	**2015** **$**	2014 $
Current liabilities	**8,910**	5,500

18. JOINT VENTURES

The Company currently has no exposure to any joint venture agreements.

19. FINANCIAL REPORT BY SEGMENT

The consolidated entity operates predominantly in the one business and in one geographical area, namely Australian mineral exploration, mining evaluation and development.

20. CONTINGENT LIABILITIES

The Group has provided guarantees totalling $726,121 in respect of mining exploration tenements and environmental bonds. These guarantees in respect of mining and exploration tenements are secured against deposits with the relative State Department of Mines. The Company does not expect to incur any material liability in respect of the guarantees.

21. EMPLOYEE ENTITLEMENTS

The Carbine Tungsten Limited Awards Plan was approved by shareholders at the Annual General Meeting on 8 November 2012. This replaces the previous employee share option scheme approved in 2006. The purpose of the Awards Plan is to attract, motivate and retain eligible employees. It enables the Group to provide employees, including Directors and other permitted persons share based payment benefits, including Performance Rights and Options. The issue of Performance Rights or Options is subject to the rules of the Awards Plan and can be issued for nil consideration and against performance or other criteria and will not be quoted on the ASX.

22. COMMITMENTS

Exploration Licence Expenditure Requirements

In order to maintain the Company’s tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. These expenditure requirements will diminish if the Group joint ventures projects to third parties. It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment of the Group from time to time.

	2015	2014
	$	$
Payable not later than one year	**455,000**	260,000
Payable later than one year but not later than two years	**-**	455,000
	455,000	715,000

23. INVESTMENT IN SUBSIDIARIES

	Equity Interest		Cost of Parent Entity's Investment	
Parent Entity	**2015**	2014	**2015**	2014
Carbine Tungsten Limited	**%**	%	**$**	$
Controlled Entities				
South Eastern Resources Pty Ltd	**100**	100	**-**	-
Cast Resources Pty Ltd	**100**	100	**2**	2
Troutstone Resources Pty Ltd	**100**	100	**2**	2
Kaowest Pty Ltd	**100**	100	**2**	2
Icon Resources Africa Pty Ltd	**100**	100	**10**	10
Tungsten Resources Pty Ltd	**100**	100	**10**	10

Carbine Tungsten Limited and all of its subsidiaries are located and incorporated in Australia.

24. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2015 that have not previously been reported.

25. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax	**2015**	2014
	$	$
(a) Operating loss after income tax	**(2,415,229)**	(2,001,531)
Depreciation	**951,890**	939,326
(Gain) Loss on disposal of assets	**31,248**	(74,027)
Write down of investment to market value	**46,406**	50,777
Share based creditor and employee payments	**544,872**	135,429
Unrealised foreign exchange loss	**244,260**	-
Exploration expenditure written off	**-**	509,539
Change in assets and liabilities:		
Decrease/(Increase) in receivables	**(231,004)**	110,797
(Increase)/decrease in other assets	**(8,822)**	137,699
(Increase)/decrease in tenement security deposits	**590,344**	(579,465)
(Decrease)/increase in trade and other creditors	**(387,150)**	(374,944)
Net cash outflow from operating activities	**(633,185)**	(1,146,400)

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2015 comprised:

Cash assets	**1,817,147**	2,124,913
Cash on hand	**1,817,147**	2,124,913

(c) The following non-cash financing and investing activities were incurred by the Company during the year.

Shares issued to creditors and employees for services rendered	**641,000**	135,429

26. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 30 September 2015.

Carbine Tungsten Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange under the ticker code "CNQ"

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash, short term deposits and available for sale investments.

The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

(a) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

(b) Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following table set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Note	Interest Bearing				Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity 2015			
		Fixed		Floating						-10%		+10%	
		2015	2014	2015	2014	2015	2014	2015	2014	Profit	Equity	Profit	Equity
		$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets:													
Cash at bank		**-**	-	**1,817,147**	2,124,913	**-**	-	**1,817,147**	2,124,913	(1,500)	(1,500)	1,500	1,500
Short-term deposits		**-**	-	**-**	-	**-**	-	**-**	-	-	-	-	-
Trade and other receivables	5	**-**	-	**-**	-	**45,803**	59,059	**45,803**	59,059	-	-	-	-
Total		**-**	-	**1,817,147**	2,124,913	**45,803**	59,059	**1,862,950**	2,181,131	-	-	-	-
Weighted average Interest rate		**-**	-	**2.8%**	1.11%	**-**	**-**	**2.8%**	1.11%	-	-	-	-
Financial Liabilities		**-**	-	**-**	-	**-**	**-**	**-**	-	-	-	-	-
Trade and other Payables	10	**-**	-	**-**	-	**(270,792)**	(902,202)	**(270,792)**	(902,202)	-	-	-	-
Borrowings	12	**(1,305,910)**	(1,061,650)	**-**	-	**-**	-	**(1,305,910)**	(1,061,650)	-	-	-	-
Total		**(1,305,910)**	(1,061,650)	**-**	-	**(270,792)**	(902,202)	**(1,576,702)**	(1,963,852)	-	-	-	-
Weighted average Interest rate		**3.00%**	3.00%	**-**	-	**-**	**-**	**3.00%**	3.00%	-	-	-	-
Net financial assets (liabilities)		**(1,305,910)**	(1,061,650)	**1,817,147**	2,124,913	**(224,989)**	(843,173)	**286,248**	217,279	-	-	-	-

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates. A 10% sensitivity would move short-term interest rates at 30 June 2015 from around 3.40% to 3.06% representing a 34 basis points shift. With the continuing uncertain financial markets, the current low interest rates are expected to continue and any change would likely be only a small decrease and this level of sensitivity is considered reasonable.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(c) Price Risk

The Group is exposed to equity securities price risk. The Group has investments held and classified on the Statement of Financial Position as available-for-sale as per Note 11.

(d) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

	2015	2014
Contracted maturities for payables year ended 30 June 2015	**$**	$
Payable:		
- less than 6 months	**923,747**	902,202
- 6 to 12 months	**662,721**	-
- 1 to 5 year	**-**	1,061,650
- later than 5 year	**-**	-
Total	**1,586,468**	1,963,852

(e) Fair Value of Financial Instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Consolidated - 2015

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Ordinary shares	**3,093**	**-**	**-**	**3,093**
Options	**-**	**-**	**-**	**-**
Total assets	**3,093**	**-**	**-**	**3,093**

Consolidated - 2014

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Ordinary shares	49,500	-	-	49,500
Options	-	-	-	-
Total assets	49,500	-	-	49,500

There were no transfers between levels during the financial year

Movements in Level 3 financial instruments during the current and previous financial year are set out below:

Consolidated	Fair value through profit or loss $	Total $
Balance at 30 June 2013	**-**	**-**
Gains/(losses) recognised in Surplus / (Deficit) for the year	-	-
Additions	-	-
Disposals	-	-
Balance at 30 June 2014	**-**	**-**
Gains/(losses) recognised in Surplus / (Deficit) for the year	-	-
Additions	-	-
Disposals	-	-
Balance at 30 June 2015	**-**	**-**
Total gains/(losses) for the year included in Surplus / (Deficit) for the year that relate to level 3 assets held at the end of the year	**-**	**-**

Changing one or more inputs would not significantly change the fair value of Level 3 financial instruments.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

The US$1 Million (AU$1,305,910) loan facility was established in February 2014 from Mitsubishi Corporation RtM Japan Ltd. The loan is classified in level 3 of the fair value hierarchy.

(f) Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and mining development of mineral commodities. If commodity prices fall, the market for companies exploring and/or mining for these commodities is affected. The Company does not currently hedge its exposures.

(g) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company's foreign currency transactions are not significant at this stage, but will be reviewed as the mining operations increase. There is no hedging currently in place for foreign exchange risk.

(h) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The Company has no financial assets where the carrying amount exceeds the net fair values at reporting date. The Company's receivables at reporting date are detailed in Note 6 and comprise primarily GST input tax credits refundable by the Australian Taxation Office. The balance (if any) of receivables comprises prepayments (if any). The credit risk on financial assets of the Company which have been recognised on the Statement of Financial Position is generally the carrying amount.

(i) Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Consistently with others in the industry, the consolidated entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Statement of Financial Position plus net debt. The gearing ratio as at 30 June 2015 and 30 June 2014 was 0% as net debt was negative in both years. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements and covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report. The consolidated entity is not subject to externally imposed capital requirements.

28. SHARE-BASED PAYMENTS

(a) Share based payments

	2015	2014
	$	$
Share-based payments expense	**549,634**	58,629
Share-based payments capitalised	-	76,800
Total share-based payments	**549,634**	135,429

	2015	2014
Schedule of share-based payments	**$**	$
Shares		
539,859 shares issued to Consultants for past services rendered to the parent company on 31 October 2013	-	45,000
453,356 shares issued to Consultants for past services rendered to the parent company on 30 December 2013	-	31,800
520,824 shares issued to employees to satisfy bonus conditions of historical employee contracts on 30 December 2013	-	23,700
400,000 shares issued to Managing Director at $0.09 per share from the vesting of performance rights issued in the prior year	-	36,000
4,500,000 shares issued to Directors as remuneration at a deemed value of $0.12 per share as approved by shareholders at the 2014 AGM	540,000	-
450,000 shares issued to Consultants for past services rendered to the parent company on 23 December 2014	54,000	-
432,173 shares issued to employees pursuant to the Company's Awards Plan and to satisfy bonus conditions of historical employee contracts on 23 December 2014	47,000	-
Total allocated against Issued Capital	**641,000**	136,500
Options		
8,000,000 options issued to Directors as remuneration at an exercise price of $0.20 and expiring on 12 November 2017 as approved by shareholders at the 2014 AGM	33,601	-
Reversal of 2010 options valuation from lapse of options	(120,205)	-
Reversal of accrual upon issue of shares to employee on 30 December 2013	-	(5,833)
Accrual at June 2014 prior to issue and reversal of accrual upon issue of shares to employee on 23 December 2014	(4,762)	4,762
Subtotal allocated against Share Based Payment Reserve	**(91,366)**	(1,071)
Closing balance	**549,634**	135,429

(b) Options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued for capital raising purposes, employment incentives or as payments to third parties for services during the year.

	2015 Number	2015 WAEP
Outstanding at the beginning of the year	7,852,273	$0.11
Granted during the year	8,000,000	$0.20
Converted/expired during the year	(7,852,273)	$0.11
Outstanding at the end of the year	**8,000,000**	**$0.20**

(c) Options exercisable at reporting date

	2015 Number	Exercise Price
Unlisted options expiring 12 November 2017	8,000,000	$0.20
Options exercisable at reporting date	**8,000,000**	**$0.20**

(d) Options Issued During the Reporting Period

8,000,000 unlisted options were issued to Directors as remuneration at an exercise price of $0.20 and expiring on 12 November 2017 as approved by shareholders at the 2014 AGM and vested immediately. The options must be exercised on or before the expiry date in cash.

Unlisted Options

The fair value of the 8,000,000 equity settled share options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 30 June 2015.

Fair value at grant date	$0.02
Share price at grant date	$0.11
Exercise price	$0.20
Expected volatility	50%
Expected life	3 years
Dividend yield	0%
Risk-free interest rate	2.98%
Number of options issued	8,000,000
Valuation	$160,000

The total value of these options was $160,000 at the date they were granted.

Listed Options

No listed options were issued during the year ended 30 June 2015 (2014: Nil).

(e) Options lapsed during the reporting period

The following options lapsed during the reporting period without exercise:

ASX Code	Number of Employee Options	Exercise Price	Expiry Date
CNQ	450,000	$0.14	17 November 2014
CNQ	950,000	$0.19	17 November 2014

The value of the options lapsed was $120,205.

(f) Performance rights

The following table details the number and movements of performance rights issued as employment incentives during the year.

	2015 Number	2014 Number
Outstanding at the beginning of the year	-	1,400,000
Granted during the year	-	-
Converted/expired during the year	-	(1,400,000)
Outstanding at the end of the year	**-**	-

(g) Awards Plan

The Carbine Tungsten Limited Awards Plan was approved by shareholders at the Annual General Meeting on 8 November 2012. This replaces the previous employee share option scheme approved in 2006. The purpose of the Awards Plan is to attract, motivate and retain eligible employees. It enables the Group to provide employees, including Directors and other permitted persons share based payment benefits, including Performance Rights and Options. The issue of Performance Rights or Options is subject to the rules of the Awards Plan and can be issued for nil consideration and against performance or other criteria and will not be quoted on the ASX.

The Board may amend the Plan's rules at any time subject to the requirements of the ASX Listing Rules.

Set out below are summaries of the options and rights granted under the plans:

2015 Grant Date	**Expiry Date**	**Exercise price**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited**	**Balance at the end of the year**
Share Option Plan							
16 Dec 2009	17 Nov 2014	$0.14	450,000	-	-	(450,000)	-
16 Dec 2009	17 Nov 2014	$0.19	950,000	-	-	(950,000)	-
12 Nov 2014	12 Nov 2017	$0.20	-	8,000,000	-	-	8,000,000
			1,400,000	**8,000,000**	**-**	**(1,400,000)**	**8,000,000**
Weighted average exercise price			**$0.174**	**-**	**-**	**-**	**$0.20**
Performance Rights							
			Nil	-	-	-	Nil
			Nil	-	-	-	Nil
Weighted average exercise price			Nil	-	-	-	Nil
Total			**1,400,000**	**8,000000**	**-**	**(1,400,000)**	**8,000,000**
Weighted average exercise price			$0.174	-	-	-	$0.20

2014 Grant Date	**Expiry Date**	**Exercise price**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited**	**Balance at the end of the year**
Share Option Plan							
26 Jun 2009	30 Nov 2013	$0.34	1,500,000	-	-	(1,500,000)	-
16 Dec 2009	17 Nov 2014	$0.14	450,000	-	-	-	450,000
16 Dec 2009	17 Nov 2014	$0.19	950,000	-	-	-	950,000
			2,900,000	**-**	**-**	**(1,500,000)**	**1,400,000**
Weighted average exercise price			$0.260	-	-	-	$0.174
Performance Rights							
7 Dec 2012	1 Jul 2013	$0.00	400,000		(400,000)	-	-
7 Dec 2012	31 Dec 2013	$0.00	1,000,000		-	(1,000,000)	-
			1,400,000		**(400,000)**	**(1,000,000)**	**-**
Weighted average exercise price			$0.53				-
Total			**4,300,000**	**-**	**(400,000)**	**(2,500,000)**	**1,400,000**
Weighted average exercise price			$0.348	-	-	-	$0.174

Set out below are the options and rights exercisable at the end of the financial year:

Grant Date	Expiry Date	2015 Number	2014 Number
Options			
16 December 2009	17 November 2014	-	450,000
16 December 2009	17 November 2014	-	950,000
12 November 2014	12 November 2017	8,000,000	-
Total Options		**8,000,000**	1,400,000
Performance Rights			
Nil		-	-
Total Rights		**-**	**-**
Total Options and Rights		**8,000,000**	1,400,000

The weighted average share price during the financial year was $0.12 (2014: $0.07).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.4 years (2014: 0.38 years).

During the financial year, the following securities were granted under the Awards Plan:

Securities issued under Awards Plan	Date	Securities Issued	Valuation	Total Value
Shares issued to Directors as remuneration at a deemed value of $0.12 per share as approved by shareholders at the 2014 AGM.	12-11-14	4,500,000	$0.12	540,000
Options issued to Directors as remuneration with an exercise price of $0.20 per option and expiring on 12 November 2017 as approved by shareholders at the 2014 AGM.	12-11-14	8,000,000	$0.02	160,000
Shares issued under employee share scheme	23-12-14	432,173	**	47,000

For rights granted under the Awards Plan during the previous financial year, the valuation model inputs used to determine the fair value at the grant date were as follows:

Grant date Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
7 December 2012 30 November 2012	$0.09	$0.00	110%	0.00%	4.00%	$0.09
7 December 2012 1 January 2013	$0.09	$0.00	110%	0.00%	4.00%	$0.09
7 December 2012 1 July 2013	$0.09	$0.00	110%	0.00%	4.00%	$0.09
7 December 2012 31 December 2013	$0.09	$0.00	110%	0.00%	4.00%	$0.09

29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Adoption of New Standards and Interpretations

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2014:

Reference and title	Details of New Standard / Amendment / Interpretation	Application date for the Group
AASB 132 Financial Instruments: Presentation	This revised standard adds application guidance to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	**1 July 2014**
AASB 136 Impairment of Assets	The changes to this standard are in the disclosure only. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	**1 July 2014**
Interpretation 21 Accounting for Levies	This interpretation clarifies when to recognise a liability to pay a levy. A levy is an outflow of resources embodying economic benefits that is imposed by governments in entities in accordance with applicable legislation.	**1 July 2014**
AASB 2014-1	Amendments to Australian Accounting Standards	**1 July 2014**

The adoption of these new and revised standards did not have a material impact on the Group's financial statements.

New Accounting Standards and Interpretations Issued Not Yet Effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2015, but have not been applied in preparing this financial report.

Reference and title	Details of New Standard / Amendment / Interpretation	Application date for the Group
AASB 15 Revenue from contracts with customers	AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	**1 July 2017**
AASB 9 / IFRS 9 Financial Instruments AASB 2010-7 and AASB 2012-6 Amendments to AAS's arising from AASB 9	The revised IFRS 9 will eventually replace AASB 139 and all previous versions of IFRS 9. The revised standard includes changes to the: • classification and measurement of financial assets and financial liabilities • expected credit loss impairment model • hedge accounting. Financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements.	**1 July 2018**

The Group has not yet determined the extent of the impact, if any, of the above standards.

Apart from the above, other accounting standards, amendments and interpretations that will be applicable in future periods have been considered, however their impact is considered insignificant to the Group.

30. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Carbine Tungsten Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	2015	2014
	$	$
ASSETS		
Current assets	**1,908,916**	2,221,116
Non –current assets	**10,857,365**	12,699,881
TOTAL ASSETS	**12,766,281**	14,920,997
LIABILITIES		
Current liabilities	**1,576,702**	1,963,852
TOTAL LIABILITIES	**1,576,702**	1,963,852
NET ASSETS	**11,189,579**	12,957,145
EQUITY		
Issued capital	**29,271,250**	27,812,168
Reserves	**467,444**	558,811
Accumulated losses	**(18,549,115)**	(15,413,834)
TOTAL EQUITY	**11,189,579**	12,957,145
FINANCIAL PERFORMANCE		
Profit (loss) for the year	**(2,415,229)**	(3,504,720)
Other comprehensive income/(loss) for the year	**-**	-
Total comprehensive profit/(loss)	**(2,415,229)**	(3,504,720)

Contingent Liabilities

As at 30 June 2015 and 30 June 2014 the Company had no contingent liabilities.

Contractual Commitments

As at 30 June 2015 and 30 June 2014 the Company had no contractual commitments other than those disclosed in Note 23.

Guarantees Entered into by Parent Entity

As at 30 June 2015, the Company has not provided any financial guarantees.

Loans to Subsidiaries

Loans are made by the parent entity to its wholly-owned subsidiaries to fund exploration and development activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured and are repayable upon notice having regard to the financial stability of the Company.

Investments in subsidiaries are accounted for at cost	**2015**	2014
	$	$
Loans to subsidiaries	6,355,357	7,856,046
Intercompany loans written-off on transfer to parent entity	(6,355,357)	(1,500,689)
Net loans to subsidiaries	**-**	6,355,357

Inter-company loans were written-off in full as deferred exploration and evaluation expenditure equalling the loan accounts transferred to the parent entity.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the Financial Statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes, are in accordance with the Corporations Act 2001 and:

    a) comply with Accounting Standards, which, as stated in the accounting policy Note1, to the financial statements, constitutes explicit and unreserved compliance with international Financial Reporting Standards (IFRS); and

    b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and the Chief Finance Officer have each declared that:

    a) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001;*

    b) the Financial Statements and notes for the financial year comply with Accounting Standards; and

    c) the Financial Statements and Notes for the financial year give a true and fair view; and

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors.

On behalf of the Board

A J Morgan

CEO and Managing Director

Cairns, 30 September 2015

Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Level 1, 15 Lake St
Cairns QLD 4870
PO Box 6771 Cairns QLD 4870
AUSTRALIA

DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF CARBINE TUNGSTEN LIMITED

As lead auditor of Carbine Tungsten Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carbine Tungsten Limited and the entities it controlled during the period.

G Mitchell

Greg Mitchell

Director

BDO

BDO Audit (NTH QLD) Pty Ltd

Cairns, 30 September 2015

INDEPENDENT AUDITOR'S REPORT

Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Level 1, 15 Lake St
Cairns QLD 4870
PO Box 6771 Cairns QLD 4870
AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of Carbine Tungsten Limited and Controlled Entities

Report on the Financial Report

We have audited the accompanying financial report of Carbine Tungsten Limited and Controlled Entities, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Carbine Tungsten Limited and Controlled Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDITOR'S REPORT

Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Level 1, 15 Lake St
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AUSTRALIA

Opinion

In our opinion:

(a) the financial report of Carbine Tungsten Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 28 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Carbine Tungsten Limited and Controlled Entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO

BDO Audit (NTH QLD) Pty Ltd

G Mitchell

Greg Mitchell

Director

Cairns, 30 September 2015

SHAREHOLDER INFORMATION

Information relating to shareholders at 10 September 2015 (per ASX Listing Rule 4.10)

Substantial Shareholders	**Shareholding**
Leon Eugene Pretorius	36,000,001
Mota-Engil Minerals & Mining Investments BV	16,000,000

Distribution of Shareholders as at 10 September 2015 **Number of Ordinary Shares Held**	**Number of Holders**	**Ordinary Shares**
1 – 1,000	50	8,268
1,001 – 5,000	75	273,202
5,001 – 10,000	160	1,396,183
10,001 – 100,000	557	23,832,779
100,001 – and over	353	284,457,594
	1,195	**309,968,026**

At the prevailing market price of 8.0 cents per share, there are 143 shareholders with less than a marketable parcel of $500.

Top 20 Shareholders of Ordinary Shares as at 10 September 2015	**Shares**	**% Shares issued**
Dr Leon Eugene Pretorius	36,000,001	11.61
Mota-Engil Minerals & Mining Investments BV	16,000,000	5.16
Baglora Pty Ltd <Mott Family Super Fund A/C>	13,850,165	4.47
Rossdale Superannuation Pty Ltd <Rossdale Super Fund A/C>	13,691,190	4.42
Alan Scott Nominees Pty Ltd <Superannuation Fund A/C>	5,500,000	1.77
Max Mobile Auto Clinic Pty Ltd	5,218,146	1.68
Silva Pty Ltd	5,105,000	1.65
Andrew James Morgan	3,984,801	1.29
JA Johnstone Pty Ltd <Waterhouse Super Fund A/C>	3,945,454	1.27
Bridge Point Pty Ltd <Dwyer Superannuation A/C>	3,681,818	1.19
Nicholson Super Pty Ltd <Nicholson Family S/F A/C>	3,626,833	1.17
Bullock Point Pty Ltd <Bishop Family Super Fund>	3,515,014	1.13
Mr Robert Hunter Landale + Ms Diana Josephine Batten <Landten Super Fund A/C>	3,310,000	1.07
Golden Reef Enterprises Pty Ltd <Golden Reef Enterprises Fam A/>	3,221,826	1.04
Mr Paul Marchetti	3,210,000	1.04
Terstan Nominees Pty Ltd <Morrows P/L Super Fund A/C>	2,898,638	0.94
IPZ Pty Ltd <Sheffield-Parker & Gatto Super>	2,888,889	0.93
Oldtudor Holdings Pty Ltd	2,655,879	0.86
Mr Raymond Thomas Page	2,640,000	0.85
Sofew Assets Pty Ltd <Sofew Pastoral A/C>	2,500,000	0.81
Total of Top 20 Holdings	137,443,654	44.34
Other Holdings	172,524,372	55.66
Total Fully Paid Shares Issued	309,968,026	100.00

Employee Share based Performance Plan
At a General Meeting held 8 November 2012 shareholders approved the adoption of the Carbine Tungsten Limited Awards Plan. The purpose of the Plan is to attract, motivate and retain employees, provide employees an incentive and provide the ability to grant Performance Rights or Options to employees, including Non-Executive Directors. This Plan replaces the Company's Employee Share Option Plan (ESOP) which was approved in March 2006.

Voting rights
There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those partly-paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Audit Committee
At the date of the Report of the Directors, the Company has a Committee of two Non-Executive Directors that meets with the Company's external auditors at least once during each half-year. These meetings take place prior to the finalisation of the Half-Year Financial Statements and Annual Report, and prior to the signing of the Audit Report.

NOTES

CARBINE TUNGSTEN

Reawakening the Mt Carbine Tungsten Mine