Carbine Tungsten Limited

ABN: 77 115 009 106 (ASX: CNQ)

2017 Annual Report

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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,

Carbine Tungsten Limited ("Carbine" or "the Company") has again struggled through another difficult year. We have, to 30th June 2017, watched the Tungsten price gradually recover from its previous year low of US$150 per MTU, to just over US$200 per MTU at 30th June 2017. This increase, whilst appreciated, had to the end of our financial reporting period, failed to generate any significant interest in the Tungsten sector. The uncertainties surrounding the geopolitical situation in North Korea has seen the Tungsten price recently climb rapidly, however off-taker or project funding interest is expected to focus on a longer term elevated price sustainability.

As your Board advised last year, it is our intention to change the fortunes of your Company through ceasing to be solely reliant upon a single commodity, Tungsten, and diversifying into Gold, Lithium and other associated minerals.

To this end, assets have been acquired in Chile and the associated drilling campaign is expected to be underway during the final quarter of this year.

Gold assets have also been acquired in NSW and the surface sampling of historic workings and their environs at the Panama Hat prospect, near Broken Hill, has found consistent high gold grades in weathered material from old workings and surface rubble. A new interpretation of the geological controls on gold mineralisation will be tested in a drilling campaign aimed at investigating the potential for a shallow oxide gold resource. Again, it is anticipated that the drilling campaign will be completed on this site in the final quarter of 2017.

I advised you last year that it was the Company's intention to negotiate with Mt Carbine Quarries Pty Ltd (MCQ) to purchase this asset. This failed to eventuate and we commenced a conciliation process with MCQ; as is required under the terms of the sublease we hold with MCQ. This conciliation again failed to resolve the issues around the sublease arrangement. Your Board is currently in negotiations with MCQ in an attempt to resolve the differences and achieve a finalisation of this matter. These communications are ongoing.

Carbine has effectively ceased all operational activities at the Mt Carbine mine site and is on a "care and maintenance" program. MCQ has, we understand, put in a modified Plan of Operations to DEHP which is supposed to reflect this. Apparently, in so doing, MCQ has increased its "quarry footprint" on the site to now cover approximately 60% of the actual Mining Leases. This will clearly impact the scale of any future mining operation which can be conducted on this site.

Regardless of the outcome of negotiations with MCQ, Carbine has delineated the surface extent of the Iron Duke scheelite prospect, which Carbine had previously reported as having been intersected in 6 drill holes within the Mining Lease. The Iron Duke mineralisation in these holes averages 0.32% WO_3 (that is, twice the average estimated grade for the Mt Carbine wolframite deposit), over an average true width of 8m. The greater part of the Iron Duke prospect lies outside the Mining Lease and is contained within Carbine's 100% owned EPM 14872. Surface geological mapping and sampling, and geophysical surveys have confirmed that the prospect continues for 1.3km north of the mining lease and that it is mineralised over this distance. A Mining Lease application is proposed to be lodged over this prospect.

The Company also intends to seek shareholder approval to conduct a name change to better reflect its diversified activities at this year's Annual General Meeting.

Your Board will continue to develop and evaluate opportunities within the chosen suite of commodities to add to your Company's portfolio of assets. Whilst building on the recent acquisition successes in this regard and hopefully with further commodity price assistance we hope to be able to deliver some increased shareholder value in the coming year.

Yours truly,

Russell Krause
Chairman

REVIEW OF OPERATIONS

During the 2016/2017 financial year Carbine Tungsten Limited (“Carbine” or “the Company”) has fulfilled its diversification commitments to reduce the Company’s exposure to one metal commodity whilst maintaining its tungsten assets at Mt Carbine in Far North Queensland.

As part of this process the Company has acquired two gold prospects in New South Wales (“NSW”) and a number of exploration concessions were granted within Northern Chile as part of its exploration work for lithium and other valuable minerals.

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

EXPLORATION ACTIVITIES - TUNGSTEN

MT CARBINE - EXPLORATION PERMITS

AS previously announced the Company's two Exploration Permits (EPM 14871 & EPM 14872) located at Mt Carbine, North Queensland have been renewed for a further term of 5 years to December 2020.

EPM 14872 contains both the Iron Duke and Petersen's Lode prospects whilst EPM 14871 features the Mt Holmes tin-tungsten prospect. The significance of the Iron Duke prospect was first recognised by Carbine after the scheelite-dominated mineralised zone was intersected with 6 core holes that formed part of confirmatory resource drilling for the open-pit located within the Mt Carbine Sublease. Sampling confirmed 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 was 0.32% WO_3). Petersen's Lode on the other hand consists of a semi-continuous exposure of a mineralised zone that has a strike length of 1.2km. The zone is widest (60m) at its northern end approximately 1.7km south east of Mt Carbine and continues to the south east but narrows so that 3km south east of Mt Carbine it averages 2-3m width in old workings that date from the 1970’s. A sample taken over 20m at the northern end of the lode assayed 0.2% WO_3.

The Company believes that EPM 14872 holds significant exploration upside given that the grades indicated in the sampling of the Iron Duke and Petersen’s Lode are extensively higher than the estimated global average grade in the present open-pit resource within the Mt Carbine Sublease. These unencumbered, greenfield sites also offer the added advantage of having no environmental legacy issues.

Given the recent increases in APT pricing the Company is reviewing its exploration strategies with respect to these permits and is proposing to lodge a Mining Lease application over EPM 14872.

EPM 14872

During the September 2016 quarter Carbine provided the following update on EPM 14872 which surrounds the northern side of ML 4867.

Iron Duke Scheelite Prospect

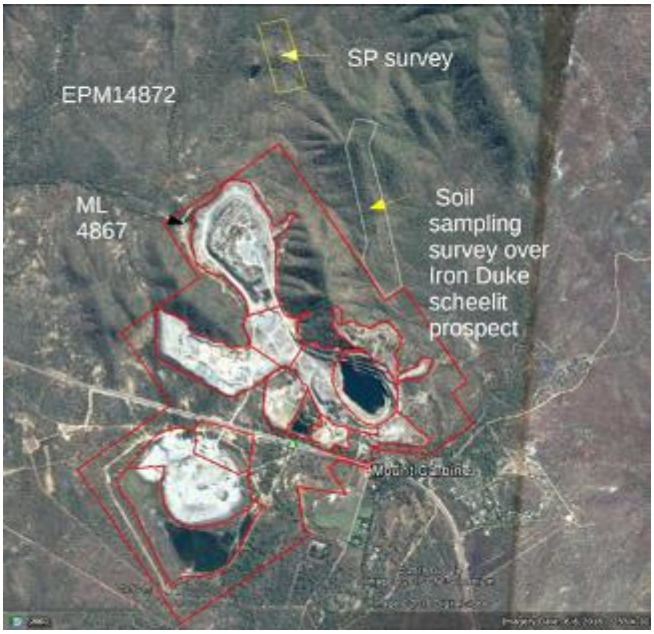
Previous announcements have provided reports on the Iron Duke scheelite prospect that extends from ML 4867 1.3km north. The prospect has been covered by a ground magnetometer survey and during the quarter a detailed soil survey was completed over the prospect in EPM 14872. It is clear that soil tungsten values confirm that tungsten mineralisation continues the full 1.3km length of the mapped extent of the rocks hosting the mineralisation. Tungsten mineralisation is associated with skarn alteration of discontinuous pillowed basalt lenses and a continuous brecciated radiolarian chert breccia horizon adjacent to the basalts.

“Gossan” Prospect

A gossan exposed north of Carbine Hill was covered by ~50,000 tonnes of rock waste in the early 1980's. No sample of the gossan was taken and detailed surface examination has failed to find float derived from this concealed gossan.

A trial Self Potential (“SP”) survey was carried out over the area around where the gossan was covered up to determine whether there was any geophysical reason for further examination of this prospect. The SP method is cheap, effective and out of fashion, mainly because of repeatability of results owing to lack of careful attention to field techniques.

The SP method relies on “the naturally occurring electrical potential of the Earth resulting from geological, geochemical and hydrologic interactions that causes electrical potentials to exist in the earth in the vicinity of the measuring point” (Zonge Geophysics, 1983). Strong SP differences often characterise sulphide mineralisation or conductors in the subsurface from siliceous or carbonate rocks.



The survey revealed a zone of strong discontinuous SP (dipole) differences over a total distance of 160m along a north-east trend, discordant to the local foliation and bedding strike of around 340 degrees. Intense silicification was recorded during the survey in exposures of the supposed footwall area of the SP anomaly.

REVIEW OF OPERATIONS

NEWLY ACQUIRED EXPLORATION LICENCES

GOLD, NEW SOUTH WALES

In-line with its diversification strategy Carbine was pleased to announce on 22 September 2016 that it had acquired the following gold exploration licences (“EL”) from Frontier Capital Group Ltd:

- Exploration Licence EL 8024
  Panama Hat 20km from Broken Hill; and
- Exploration Licence EL 6648
  Crow King 20km from Barraba, north western NSW.

<u>*Crow King EL 6648*</u>

EL 6648 lies approximately 20km south east of Barraba in northern NSW, and straddles part of the Peel Fault, a major structure that geologically separates the New England Province from the Tamworth Trough to the west. It comprises of 9 sub-blocks that cover a historic gold field discovered in 1868, and worked up till about 1906. The deepest working at Crow King is reported to be 67m.

Within EL 6648, over an area of approximately 9 km^2, there are numerous historical shallow gold workings dating from 1868 with historical records indicating that high to bonanza grade gold occurred in quartz veins up to 38cm wide and 12m long. In modern times, the licence has been partly investigated by 3D-IP survey, drilling and surface sampling.

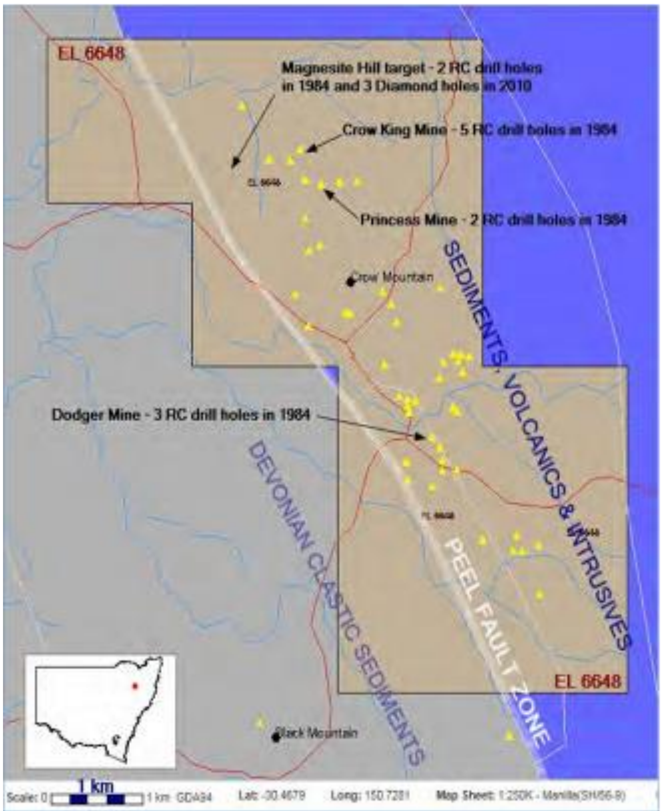
As mentioned previously, EL 6648 straddles the Peel Fault, a major geosuture that separates early Palaeozoic metasediments on the eastern side from Mid Devonian volcanic-derived sedimentary rocks on the west. The Peel Fault itself is famously characterised by a more or less continuous belt of serpentinised ultramafic rocks. Early Triassic quartz monzonite dykes and plugs locally intrude the Peel Fault and older rocks. The Company's recent exploration has shown that the majority of the historical workings are hosted by quartz veining in metasiltstone between the serpentinite and a prominent chert horizon east of the Fault. However, gold mineralisation has also been detected by drilling in the Fault itself and in brecciated, carbonate rich Devonian sedimentary rocks west of the Fault.

This licence was previously held by Carbine’s precursor company, Icon Resources Ltd, who drilled three holes in the Magnesite Hill target in 2010, with the following results:

Drill hole	From (m)	To (m)	Interval (m)	Au g/t
ICK 001	76.3	78.45	2.15	1.85
	117.4	172	54	0.45
Including	140	148	8	1.27
ICK 002	113.4	119.4	6	0.67
Including	119	121	2	1.19
	137	151	14	1
Including	139	141	2	3.69
ICK 003	113.6	117	3.4	1.2

Hole No	Azimuth	Dip	Easting	Southing	RL	Total depth	Hole size
ICK 001	235^0 mag	55^0	284491m	6627615m	582m	344.5m	NQ2
ICK 002	235^0 mag	60^0	284541m	6627507m	585m	190.3m	NQ2
ICK 003	235^0 mag	60^0	284590m	6627413m	582m	149.6m	NQ2

Table 2. Drill hole details, Icon Resources drill holes.



Location of EL 6648, showing historical gold workings (yellow triangles) adjacent to the Peel Fault

The licence was a key component of a proposed listing of Icon’s prior gold prospects that it reluctantly sold in 2011. Carbine is very pleased to have been able to re-acquire the tenement as it still strongly believes that it holds significant exploration potential.

The Company’s plan for exploration within EL 6648 is based around the concept that high to bonanza grade small vein quartz occurrences, together with background low grade gold mineralisation, may constitute a bulk-mineable resource.

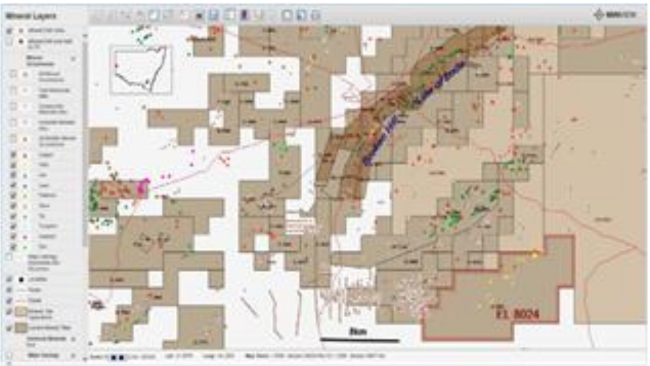
<u>*Panama Hat EL 8024*</u>

The Panama Hat EL 8024 covers 80% of the historical gold workings in the Broken Hill district, about 30km south east of Broken Hill (see map below). The workings mostly date from 1931-1935, and occur along an arcuate line of quartz veining with associated iron oxides. Sericitic alteration of the host metamorphic rocks accompanies the quartz veining. The iron oxides are interpreted to result from weathering of sulphide mineralisation at depth.

The quartz veining is not deformed and may represent a much younger mineralising event than that of Broken Hill to the north west. Hand-picked iron oxide-bearing quartz samples were recorded as assaying up to 34g/t, and this has been confirmed by recent sampling as part of a due diligence study of the licence by Carbine.

Previous exploration in modern times includes an MMR/EIP geophysical survey and several percussion drill holes, but Carbine's opinion is that the licence area is underexplored.

The following map shows maximum gold values obtained by rock chip or mineralised rocks by previous explorers.



The Company's exploration objective for EL 8024 is to determine the extent of oxide gold mineralisation, with the intent of establishing an open pit mineable resource in the weathered zone, in the first instance, and secondly to determine gold mineralisation and grade in the primary zone below the historical workings.

EXPLORATION ACTIVITIES - GOLD

Carbine announced on 18 April 2017 that exploration work was about to intensify at both the Company's 100% held gold prospects.

Sampling of dumps associated with deeper historic workings in each tenement has revealed high grade gold values over large areas, in Panama Hat (EL 8024) samples ranging up to 83.2g/t, and at Crow King (EL 6648) ranging up to 17.1g/t.

Panama Hat EL 8024

Sampling has determined that the near surface is likely to be intensely leached of gold however, sampling of waste dumps associated with deeper historical workings has identified gold values locally of bonanza grade (refer Figure 3). Previous exploration has not tested the oxide gold potential along the whole line of lode at Panama Hat and a sampling and mapping program is about to commence to identify the most promising targets for shallow drilling which will be aimed at testing the oxide gold potential of this goldfield.

The results of the sampling are summarised in Table 1.

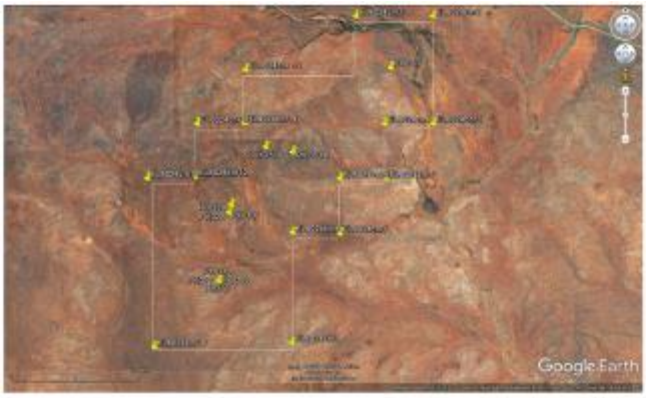


Figure 3. Panama Hat EL8024 on Google image showing location of samples from deeper historical workings.

Panama Hat table of sample results

Sample no.	Easting	Southing	Au – AA25 g/t	Notes
PH 302	554114	6441046	5.29	Dense black limonite
PH 307	554043	6441156	31.5	Quartz with limonite
PH 309	554051	6441160	45.1	Quartz with limonite
PH 310	554057	6441167	17.6	Quartz with limonite
PH 311	554054	6441152	1.46	Black limonite fragments
PH 312	554089	644156	9.62	Black limonite fragments
PH 314	554175	6441164	83.2	Black limonite fragments
PH 316	554164	6441165	31.6	Quartz with limonite
PH 321	554421	6443416	1.67	Quartz with limonite
PH322	554432	6443424	2.14	Quartz with limonite
PH323	554418	6443422	2.19	Quartz with limonite
PH324	554420	6443429	4.61	Quartz with limonite
PH325	554412	6443434	5.43	Quartz with limonite
PH326	554397	6443465	3.79	Quartz with limonite
PH327	554401	6443472	1.24	Quartz with limonite
PH328	554401	6443472	1.29	Massive limonite
PH329	554417	6443478	3.35	Massive limonite
PH330	554414	6443465	1.54	Quartz with limonite
PH338	554475	6443739	2.28	Quartz with limonite
PH347	555877	6445784	1.67	Quartz with limonite
PH349	555738	6445720	3.31	Quartz with limonite
PH351	555630	6445679	63.4	Quartz with limonite
PH351a	556530	6445499	11.75	Quartz with limonite
PH357	559808	6448351	15.8	Quartz with limonite

Table 1. Summary of significant gold assays from sampling waste dumps associated with deeper historical workings, Panama Hat EL8024

(Refer announcement "Carbine to Intensify Gold Exploration" dated 18 April 2017 for JORC Code 2012, Edition – Table 1 content)

The Company also announced on 8 June 2017 that further surface sampling of old workings in Panama Hat EL 8024, confirmed consistency of high grade gold assays ranging up to 84.4g/t Au obtained in previous sampling, with the latest sample assays ranging up to 35.1g/t gold. The sampling and surface geological investigations carried out by Carbine lead to the conclusion that there is significant potential for shallow, oxide gold mineralisation that up till now has not been tested by drilling. EL8024 covers an area of flat to gently undulating semi desert grazing country with low salt bush cover.

Typical exposure of historical workings, EL8024

A significant number of historical workings occur in an arc extending for 10km in the tenement, approximately 25km south east of Broken Hill in NSW. The workings date from the 1930's depression era and are all in quartz veins ranging up to 2m in width at the surface. Four clusters of workings occur in the EL, as shallow fallen-in pits on gentle mounds, separated by desert sandy cover. Although the overall trend of the workings in north – north east, quartz veins and groups of pits trend at 90^{0} to 145^{0}.

Several companies have carried out exploration of the area in the past including vein quartz sampling and percussion and core drilling. Recent research indicates that that surface sampling of vein quartz alone was not an indicator of gold mineralisation and that the drill holes were not sited to test the lines of the lodes.

Carbine's sampling appears to confirm that gold mineralisation is closely associated with sulphides (pyrite) mineralisation on the margins of the quartz veins. Carbine has found in a recent petrological study of remnant sulphides in vein quartz samples that free gold occurs close to quartz vein margins where sulphides occur.

South west cluster of historical workings showing sample numbers (assays in Table 1).

Group of historical workings in north central part of EL8024, showing recent sample locations. Samples from around a timbered shaft at AWPH22 contained fresh sulphide encased in vein quartz, as well as limonite replacing sulphides. Samples assayed as follows:
AWPH17, 4g/t gold,
AWPH18, 9.72g/t gold,
AWPH19, 19.15g/t gold
AWPH22, 29.2g/t gold,
AWPH23, 3.47g/t gold. The workings are situated on vertical quartz veins striking at 145^{0}

Although surface exposure is poor, around historical workings, sampling has shown that quartz vein material containing limonite, (hydrous iron oxides) after sulphides consistently contains gold, with samples ranging from 1.24g/t Au up to a grade of 84.4g/t Au. The latest sampling has extended the strike length over which high gold values have been obtained

Table 1. Summary of gold analyses, Panama Hat EL8024

				WEI-21	PUL-QC	Au-AA21	Au-AA25
SAMPLE				Recvd Wt.	Pass75um	Au	Au
DESCRIPTION	Northing WGS84	Easting WGS84	Elevation	kg	%	ppm	ppm
AW PH 10	6441161	554106	191	0.33		>1.00	35.1
AW PH 11	6441200	554593	188	0.52		0.119	
AW PH 12	6441086	554686	182	0.36		0.004	
AW PH 13	6441166	6441166	188	0.58		>1.00	5.4
AW PH 14	6441166	6441166		0.52		>1.00	2.43
AW PH 15	6444406	554418	203	0.98		0.008	
AW PH 16	6445719	555740	212	0.54		0.516	
AW PH 17	6445719	555740	212	0.43	99	>1.00	4
AW PH 18	6445677	555631	212	0.77		>1.00	9.72
AW PH 19	6445689	555677	213	0.94		>1.00	19.15
AW PH 20	6445688	555681	213	0.76		0.467	
AW PH 21	6445678	555633	212	0.69		0.025	
AW PH 22	6445785	555877	213	0.66		>1.00	29.2
AW PH 23	6445794	555900	213	0.77		>1.00	3.47
AW PH 24	6446008	555936	216	0.6		0.038	

(Refer announcement "High Grade Gold Assays, Panama Hat" dated 8 June 2017 for JORC Code 2012, Edition – Table 1 content)

As stated in the Chairman's Report, it is anticipated that a drilling campaign will be completed on this site during the final quarter of 2017.

Crow King EL 6648

Fresh mapping and sampling undertaken by the Company during the first half of 2017 along with a review of previous exploration results provided the following exciting new insights into gold mineralisation in the licence:

- Gold has been leached from the surface meter or two by intense weathering in the past and surface sampling does not provide an adequate measure of gold distribution. Surface sampling showed anomalous gold but with values less than 0.05g/t gold.
- Sampling of mineralised rocks from dumps associated with a number of deeper (>2m) historical workings gave potentially economic gold assays over a wide area (Figure 4), ranging from 1.46 g/t to 17.1g/t gold (Table 2).
- There are indications that significant hydrothermal breccias occur untested in the EL concealed beneath Tertiary ironstone and gravel that may be related to brecciated, hydrothermally altered, gold-bearing quartz monzonite dykes intercepted in cored holes drilled through the main fault.

- The historic workings exploited gold in quartz veins of limited extent (1-4m laterally and up to 10m down plunge according to historical records) but often of bonanza grade. The quartz veins are interpreted as filling voids formed by shearing. Whereas in the past, individual high-grade veins were mined on a small scale, the possibility of there being a large mineralised volume of quartz vein-bearing rock, of sufficient global average grade for a bulk mining operation, has not been tested.

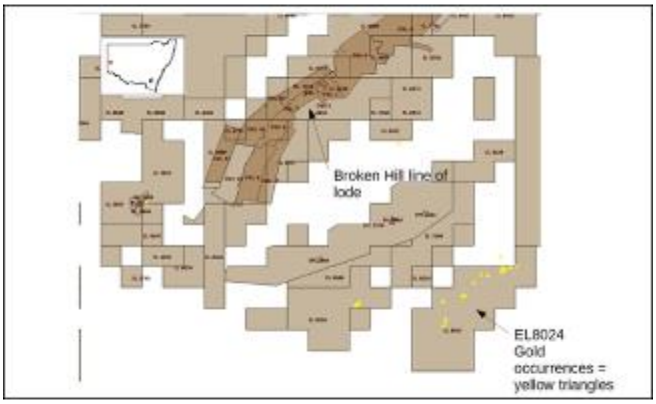


Figure 1. Location of Panama Hat EL8024, showing historical gold occurrences (Minview Map).

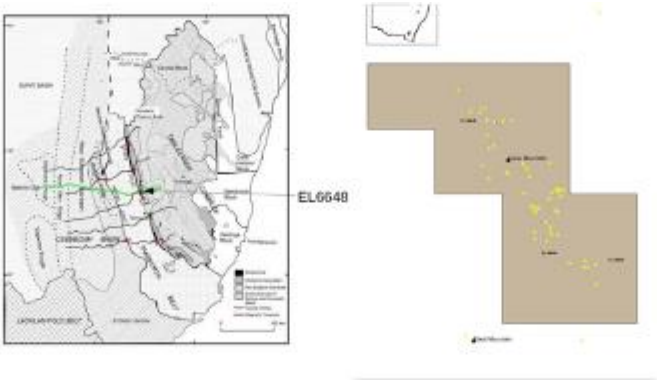


Figure 2. Location of EL6648 in New England Region NSW (left) and map of historical gold occurrences in EL6648 (right, yellow triangles: Minview Map)

Sample	Easting	Northing	Description	Au – AA25 gm/t
214	286738	6624693	Silicified, quartz veined with breccia texture rock – minor limonite	2.43
215	286738	6624693	ditto	1.46
308	285230	6627872	altered/bleached silicified rock with some limonite	6.03
310	285226	6627868	ditto, high limonite content	17.1
312a	285200	6627852	ditto, moderat black limonite	4.08
312	285450	6627531	Ditto	5.75
313	285450	6627531	ditto	2.32
314	285456	6627541	ditto some thick quartz veins	1.57
413	285037	6627833	pale cream altered rock with quartz vein and minor black oxide	1.9
414	285061	6627823	pale altered rock with large quartz fragments and red-brown oxide	3.78
416	285127	6627792		6.78

Table 2. Gold assays from samples of dumps associated with deeper historical workings in EL6648

(Refer announcement “Carbine to Intensify Gold Exploration” dated 18 April 2017 for JORC Code 2012, Edition – Table 1 content)

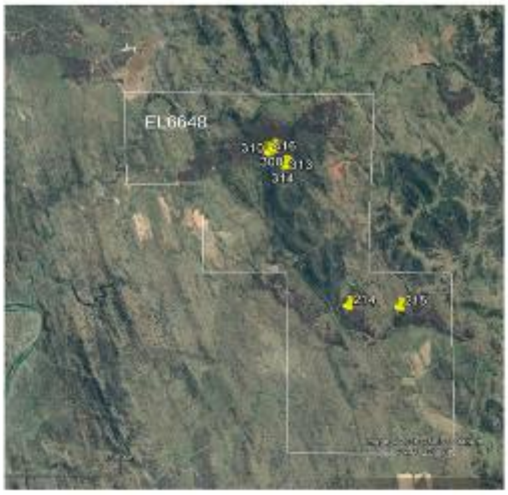
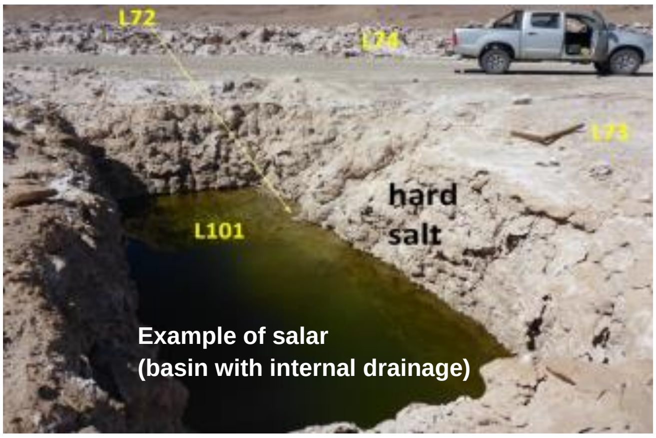


Figure 4. Location of samples from deeper historical workings – see Table 1 for results

LITHIUM, CHILE

Lithium is sourced mostly from one of two geological deposit types: hard rock deposits found mostly in ancient (Proterozoic) regimes and sub-surface brines that occur in modern continental rift systems. As lithium-bearing brines offer potentially lower production costs of lithium carbonate, the Company has commenced prospecting for brines of appropriate chemistry in modern rift systems in South America.



REVIEW OF OPERATIONS

WHY CHILE?

Chile contains 27% of the global reserves of lithium and contributes to more than 50% of global production.

All major international miners are active in Chile:

- BHP Billiton, Anglo American, Rio Tinto, Xstrata, Teck Cominco, Kinross, Phelps Dodge, Barrick Gold and Newmont.

Clear legislation and well-established procedures with favourable mining royalty regime. Chilean mining law permits:

- 100% foreign ownership.
- Legal protection of mining concessions.
- Concessions granted on a first come first served basis.
- Independent judicial system.
- Clear foreign investment framework.

One of South America's most stable and prosperous nations:

- Over 150 years of mining history with well-defined mining and environmental regulations.
- Consistently one of Latin America's fastest growing economies.
- Open market economy, high level of foreign trade and maco-economic stability.

On 31 May 2017, the Company announced that substantial progress had been made with its minerals search in Chile with exploration work undertaken in several salars for resources contained within subsurface brines that may include potassium, iodine, boron, lithium and other valuable minerals in the basins.

In the Salar de Miraje, lithium values ranging from 51 to 94ppm were obtained from four salt crust samples, with associated boron and potassium ranging from 1060 to 1920ppm boron and 0.18 to 2.35% potassium. In Salar de Bella Vista, of the 10 salt crust samples taken, all but two were anomalous, containing from 50 to 274ppm lithium and of these, four had associated elevated boron values ranging from 850 to 1820ppm boron.

Further sampling has been carried out during a recent field visit by senior Carbine personnel and it is anticipated that further applications for exploration concessions will be made following receipt of sample analyses. Carbine is positioning itself to take advantage of expansionary growth initiatives regarding lithium production currently being proposed by the Chilean Ministry of Mining.

Chile is a country with very favourable mining investment opportunities and is endowed with great mineral wealth not only in hard rock mines, but also in the numerous salars or evaporative closed sedimentary basins in the Atacama Desert region of northern Chile.

For a century and a half Chile was the only producer of nitrates and is currently a globally important producer of lithium, potassium, borates and iodine from some of these salars. Major lithium production comes from the Salar de Atacama, where Chile produces over one third of the world's lithium from brines in the Salar.

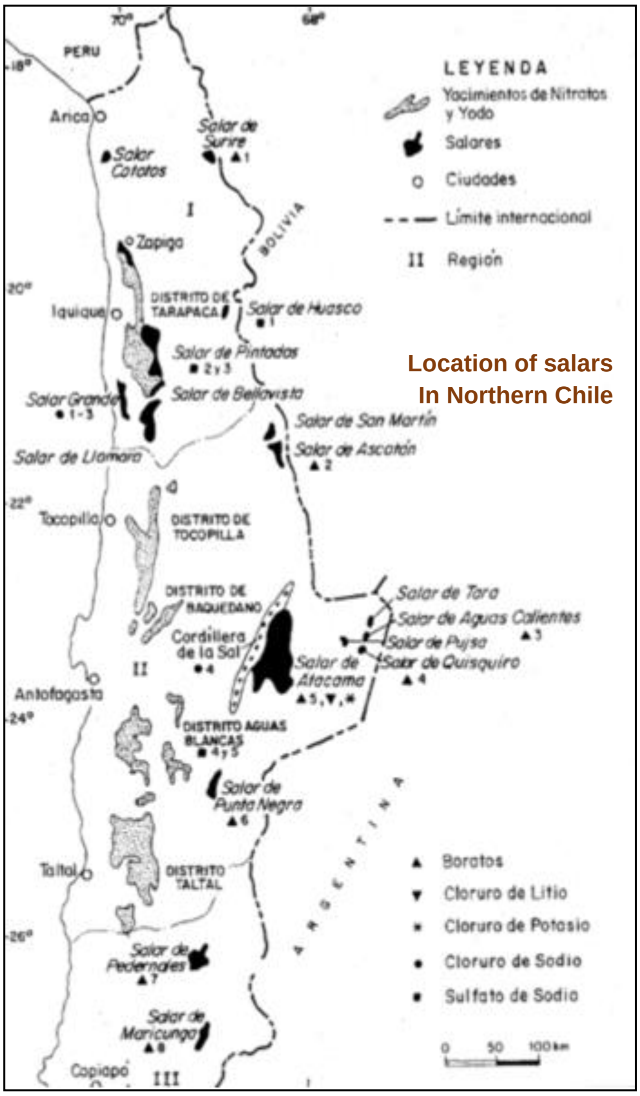


Table 1. Summary of analyses of salt crust samples, Salars de Miraje and Bella Vista

Element	Li	Mg	K	Na	B	Ca	S	As	Sb	Mo	Cu	Zn	Pb	Ag	Fe	P	Mn	Al
Measure	ppm	%	%	%	ppm	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%
Salar de Miraje																		
L16	90	0.39	0.18	0.22	110	9.69	8.33	46	0.79	1.9	22	30	8	0.02	2.15	490	421	0.65
L17	51	1.02	0.73	9.96	1240	3.9	3.95	33	0.66	2.9	21	29	6	0.18	1.47	280	293	1.27
L18	79	1.58	1.07	>10.0	1920	1.29	9.34	68	0.31	9.7	11	17	5	0.02	0.86	220	311	0.35
L19	94	2.25	2.35	>10.0	1060	2.34	7.98	44	0.32	5.8	20	36	5	0.06	0.89	270	206	0.7
Salar de Bella Vista																		
L35	274	0.42	0.98	>10.0	660	3.48	5.48	108	0.6	2.6	8	17	3	0.05	0.48	640	110	0.29
L36	31	0.23	0.77	>10.0	140		4.52	31	0.15	2.1	4	7	1	0.02	0.18	190	32	0.09
L56	38	0.62	0.33	>10.0	1390	6.45	6.84	26	0.32	3.9	9	17	4	0.13	0.95	500	162	0.35
L57	68	0.18	0.27	>10.0	310	3.36	3.48	9	0.05	0.9	4	25	1	0.34	0.33	90	58	0.11
L58	71	0.86	0.31	2.01	480	15.25	>10.0	11	0.47	0.8	12	33	6	0.03	1.5	280	156	0.62
L67	50	0.41	0.45	>10.0	160	12.05	>10.0	3680	3.36	0.4	4	8	1	0.32	0.03	30	9	0.02
L71	131	0.64	0.27	>10.0	1820	8.01	>10.0	523	2.04	1.3	17	18	4	0.18	0.92	1130	139	0.33
L72	127	0.19	0.45	>10.0	340	11.95	>10.0	264	0.59	0.6	5	17	0	0.07	0.06	140	81	0.04
L73	75	0.4	0.27	>10.0	1480	12.2	>10.0	748	8.04	0.4	7	7	3	0.88	0.17	350	36	0.09
L74	23	0.22	0.09	>10.0	120	1.79	3.3	95	2.35	0.4	4	13	2	0.29	0.35	580	57	0.15

(Refer announcement “Carbine Secures Chilean Exploration Concessions” dated 31 May 2017 for JORC Code 2012, Edition – Table 1 content)

EXPLORATION CONCESSIONS GRANTED

Carbine announced on 19 July 2017 that it had received official confirmation of the grant of 5 exploration concessions in northern Chile. The concessions are valid till 10 May 2019 and cover part of the Salar de Miraje, an enclosed rift basin in the Atacama Desert. On present evidence, Salar de Miraje is geologically analogous to the Salar de Atacama rift basin 150km to the south east, that produces a third of the world’s lithium from brines within the sediments deposited in the basin.

Analyses of surface samples taken by Carbine of evaporative saline crusts in Salar de Miraje indicate that the crusts contain anomalous lithium, boron and potassium (Table 1). In reconnaissance sampling Carbine has determined that lithium values in saline crust samples that exceed 50ppm lithium appear to be anomalous. The significance of these anomalous values will be tested by drilling proposed for later this year. The drilling will be aimed at sampling brines anticipated to be contained in early rift fill sediments within the Salar.

Salar de Miraje has been a significant historical producer of nitrates from the margin of the Salar, and iodine is currently being produced from mine dumps left by nitrate mining just west of the concessions granted to Carbine.

Table 1. Salar de Miraje surface reconnaissance samples.

SAMPLE	Li	Mg	K	Na	B	Ca	S	As	Sb	Mo	Cu	Zn	Pb	Ag	Fe	P	Mn
DESCR	ppm	%	%	%	ppm	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm
Salar de Miraje																	
L16	90	0.39	0.18	0.22	110	9.69	8.33	46	0.79	1.9	22	30	8	0.02	2.15	490	421
L17	51	1.02	0.73	9.96	1240	3.9	3.95	33	0.66	2.9	21	29	6	0.18	1.47	280	293
L212	17.3	0.46	0.31	>10.0	1120	0.45	0.77	5	0.1	0.79	13.8	45	1.9	0.94	0.09	40	26
L213A	93.5	1.15	0.72	3.97	840	7.65	8.06	50.1	0.76	3.6	19.6	27	7.1	0.02	2.2	490	409
DESCR	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
L303	50	>10000	12000	122500	2040	320		<10	<5	2	<1	<100	<5	<1	<100	<100	<1

All samples except L303 are surface halite crust samples, L303 is a brine sample from iodine recovery ponds.

(Refer announcement “Chilean Exploration Concessions Granted” dated 19 July 2017 for JORC Code 2012, Edition – Table 1 content)

Google image showing location of Salar de Miraje concessions in relation to cities of Antofagasta and Iquique, northern Chile

Google image showing area covered by 5 exploration concessions, Salar de Miraje, Atacama Desert, Northern Chile, and location of reconnaissance surface samples. Historical nitrate dumps in south west corner are being reworked to recover iodine.

As preliminary surface sampling results have been very encouraging the Company intends to follow up with a drilling campaign to sample brines within selected areas during the last quarter of 2017.

REVIEW OF OPERATIONS

CORPORATE

MT CARBINE QUARRIES

As outlined in the 2016 Annual Report and at the 2016 Annual General Meeting, the Company has attempted to pursue the purchase of the Mt Carbine quarry owned and operated by the Mining Leaseholder, Mt Carbine Quarries Pty Ltd ("MCQ").

This failed to eventuate and the Company commenced a conciliation process with MCQ; as is required under the terms of the Sublease. This conciliation again failed to resolve the issues around the sublease arrangement and the Board is currently in negotiations with MCQ in an attempt to resolve the differences and achieve a finalisation of this matter. These communications are ongoing.

Carbine has effectively ceased all operational activities at the Mt Carbine mine site and is on a "care and maintenance" program. MCQ has, we understand, put in a modified Plan of Operations to DEHP which is supposed to reflect this. Apparently, in so doing, MCQ has increased its "quarry footprint" on the site to now cover approximately 60% of the actual Mining Leases. This will clearly impact on the scale of any future mining operation which can be conducted on this site.

SHARE ISSUES

On 8 July 2016, the Company issued 460,423 shares at the weighted average issue price of $0.025 per share to raise $11,281 as payment, in lieu of cash, for consulting services provided to the Company.

On 24 April 2017, the Company issued 2,000,000 shares at the deemed issue price of $0.013 per share to raise $26,000 as payment, in lieu of cash, for consulting services provided to the Company.

SHARE PLACEMENT

On 22 March 2017, the Company announced it had successfully completed a placement to institutional and sophisticated investors of 62,000,000 fully paid ordinary shares at a price of $0.013 per share to raise $806,000 before costs. The Placement, completed under ASX Listing Rule 7.1, attracted significant and oversubscribed support and allowed Carbine to introduce a number of new investors as shareholders of the Company.

The Board thanks and extends a warm welcome to those new shareholders who participated in the placement.

Proceeds from the Placement will be primarily used to accelerate the Company's exploration and development program for its various exploration tenements.

REDUCTION OF SHARE CAPITAL

In accordance with Section 258F of the Corporations Act 2001 the Company has reduced its contributed equity by $30,538,808 in respect of accumulated losses sustained by the Company to 30 June 2017. This is a technical adjustment which does not impact the net assets, financial results, cash flow or funding of the Company or of the Carbine Tungsten Limited consolidated group.

TUNGSTEN MARKET OUTLOOK

The tungsten APT (Ammonia Para Tungstate) price over the past few months has risen rapidly from US$226 on 26 July 2017 to around US$335 at the time of writing this report. The primary opinions given by the market for this price rise appears to be that China, being the dominant supplier of the world's APT, is undergoing a restriction of supply and increased production costs for tungsten concentrates and APT product due to increased environmental regulation being implemented throughout their mining and manufacturing sectors.

The second significant factor is the speculation surrounding the intensifying geopolitical situation unfolding in Asia and North Korea which is both accelerating military expenditures and the prospect of trade or strategic restrictions emerging between certain Asian countries for tungsten and indeed globally.

Tungsten is known to be a strategic military metal and historically increases in value during times of increased military production or war. The fact that China is in the cross hairs of the current geopolitical tensions and is the de facto monopoly supplier of most of the world's tungsten means that tungsten is also in the same cross hairs of this geopolitical and supply situation.

Whether the current spike in APT price will be sustained under the above conditions is a matter for some speculation. However, the impetus for any renewed project investment or funding interest will likely depend more so on an evaluation of strategic supply risks and a demonstration of longer term sustained trending in the higher price of tungsten.

Nevertheless, the current APT price rises are very encouraging however the Board is mindful that off-taker or project funding interest is expected to focus on a longer term elevated price sustainability.

TENEMENT SCHEDULE

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

State	Ownership	Area	Status	Notes	Expiry Date
Queensland, Australia					
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.	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.	31/08/2023
EPM 14871	Carbine Tungsten Limited 100%	16 sub blocks	Granted	5 Year Renewal Granted	12/12/2020
EPM 14872	Carbine Tungsten Limited 100%	21 sub blocks	Granted	5 Year Renewal Granted	11/12/2020
New South Wales, Australia					
EL 6648	Carbine Tungsten Limited 100%	9 Units	Granted	Acquired 9 September 2016	18/10/2017
EL 8024	Carbine Tungsten Limited 100%	19 Units	Granted	Acquired 9 September 2016	29/11/2019
Chile					
Salar de Miraje, Concessions 1 – 5	Pending Formation of Chilean Company 100%	9 Units	Granted	Granted 10 May 2017	10/05/2019

ML = Mining Lease   EPM = Exploration Permit for Minerals   EL = Exploration Licence

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.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

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 to test grade, width and continuity has been deferred due to market conditions. 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 if the proposed mining operation proceeds.
Costs	Capital Cost – AU$15M (conservative estimate in 2015, considered to be still valid) Operating Costs – AU$10.20 / tonne (estimate in 2015, considered to be still valid)
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 in the range of US$285-$300 as at 4 September 2017 per Metric Tonne Unit (MTU). All mine studies have been based on a price of US$290 per MTU and A$ parity, however as at 12 September 2017 the A$ was at US$0.80.
Market assessment	Discussions with off-takers is ongoing.
Economic	Using the estimates summarised in Costs (above) the project has an NPV at 10% discount rate of AU$165M. Given the uncertainty surrounding the unresolved sublease issues with the quarry and Mining Leaseholder and also the Company's revised diversification strategy, the Directors have reassessed the carrying value of certain capitalised exploration expenditure and plant and equipment relating to the Mt Carbine Sublease where the technical feasibility and commercial viability of the project has been adversely impacted and have impaired in full deferred exploration and evaluation expenditure in the sum of $5,635,332 and plant and equipment in the sum of $2,154,760 resulting in an impairment expense of $7,790,092 taken to the Income Statement for the 2017 financial year. Refer to Note 18 of the financial statements for further information.
Social	The Company has a policy of employing local staff by preference and is already well regarded as a significant employer in the district, based on its past operations
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.

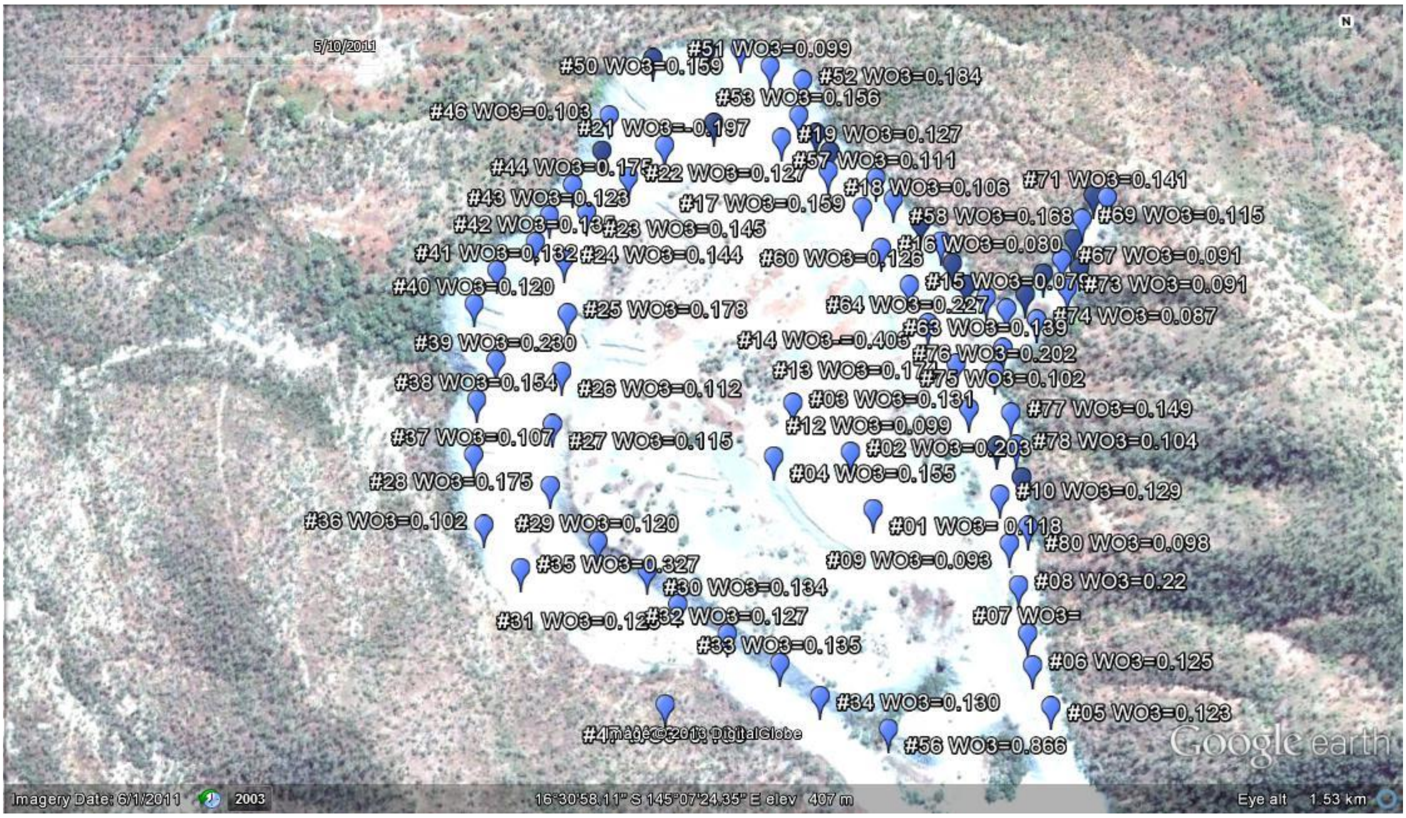


Figure 2. Aerial view of low grade stockpile showing locations of grab samples taken for characterisation of mineralogy and chemistry of stockpile for environmental permitting purposes. Each grab sample was approximately 20kg.

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 2017.

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

COMPANY SECRETARY

David Clark

PRINCIPAL ACTIVITIES

The principal activities of the Group has been to maintain its tungsten assets in Far North Queensland whilst becoming a diversified exploration Company through the acquisition of gold exploration licences within New South Wales, Australia and exploration concessions within Chile that may contain lithium and other valuable minerals. The Company also continues to evaluate other exploration and mining technology opportunities both within and outside its existing exploration permits.

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 $9,888,710 (2016: $2,101,010).

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 auditor's report in regard 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 1 full-time employee as at 30 June 2017. 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 $1,462,356 resulting from:

	Date	Shares	$
Issue of 460,423 shares at the weighted average issue price of $0.025 per share to raise $11,281 as payment, in lieu of cash, for consulting services provided to the Company.	08-07-2016	460,423	11,281
Placement to institutional and sophisticated investors of 62,000,000 fully paid ordinary shares at a price of $0.013 per share to raise $806,000 before costs.	22-03-2017	62,000,000	806,000
Issue of 2,000,000 shares at the deemed issue price of $0.013 per share to raise $26,000 as payment, in lieu of cash, for consulting services provided to the Company.	24-04-2017	2,000,000	26,000
Lanstead Capital LP - Tranche A - subject to an 18-month sharing agreement – 17 of 18 instalments settled[1]	30-06-2017	**	410,198
Lanstead Capital LP - Tranche B - subject to an 18-month sharing agreement – 13 of 18 instalments settled[1]	30-06-2017	**	284,547
Share issue costs			(75,670)
			1,462,356

[1] Number of shares issued subject to sharing agreement with Lanstead Capital LP – shares were issued in the prior reporting period.

(b) During or since the end of the financial year, no options were exercised.

(c) The carrying value of capitalised exploration expenditure relating to the Mt Carbine Tungsten Project was reassessed and the Directors have impaired Deferred Exploration and Evaluation Expenditure in the sum of $5,635,332 for the 2017 financial year. Plant and equipment in the sum of $2,154,760 relating to the Mt Carbine Tungsten Project was also impaired. Total impairment expense for the 2017 financial year is $7,790,092.

(d) In accordance with Section 258F of the Corporations Act 2001 the Company has reduced its contributed equity by $30,538,808 in respect of accumulated losses sustained by the Company to 30 June 2017. This is a technical adjustment which does not impact the net assets, financial results, cash flow or funding of the Company or of the Carbine Tungsten Limited consolidated group.

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 2017 other than:

- The Company announcing on 19 July 2017 it had received official confirmation of the grant of 5 exploration concessions in Northern Chile. The concessions are valid till 10 May 2019 and cover part of the Salar de Miraje, an enclosed rift basin in the Atacama Desert.

LIKELY DEVELOPMENTS

The Company plans on carrying out targeted drilling programs within its newly acquired exploration prospects within the coming financial year along with continuing its exploration activities associated with the identification of additional tungsten deposits and other precious and speciality metals both within and outside of its existing exploration permits.

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

DIRECTORS' REPORT

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 Austex Oil Limited (ASX:AOK), ELK Petroleum Limited (ASX:ELK) and Novus Capital 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.

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, LionOres'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 tantalum 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 2017 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	5,998,801	2,000,000	-
R.W. Nice	1,375,000	2,000,000	-

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 is shown in the following table:

Director	Meetings Eligible to Attend	Meetings Attended
R.H. Krause	6	6
A.J. Morgan	6	6
R.W. Nice	6	6

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.

AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS

Director	Meetings Eligible to Attend	Meetings Attended
R.W. Nice	2	2
R.H. Krause	2	2

SHARE OPTIONS AND PERFORMANCE RIGHTS

During or since the end of the financial year, no 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 at the date of this report. Refer to Note 12(b) for further details.

During or since the end of the financial year no unlisted options were exercised.

REMUNERATION REPORT - AUDITED

This report for the year ended 30 June 2017 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) Service Agreements; and

(i) 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 24 November 2015.

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 2016 Annual General Meeting

The Group received votes against its Remuneration Report for the 2016 financial year however did not receive any specific feedback on its remuneration practices at the 2016 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	-
Executives			
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 and the Key Management Personnel of the Company and the consolidated entity during the year ended 30 June 2017 are set out in the following tables:

2017	Short-term employee benefits – cash salary and fees $	Post-employment Super-annuation $	Long – term employee benefits $	Share-based payments Shares $	Share-based payments Options $	Total $	% Performance Based
Directors							
A.J. Morgan	240,000	-	-	-	-	240,000	0%
R.H. Krause	60,000	-	-	-	-	60,000	0%
R.W. Nice	40,000	-	-	-	-	40,000	0%
Executives							
D.W. Clark	47,475	-	-	-	-	47,475	0%
Total key management personnel compensation	**387,475**	**-**	**-**	**-**	**-**	**387,475**	

2016	Short-term employee benefits – cash salary and fees $	Post-employment Super-annuation $	Long – term employee benefits $	Share-based payments Shares $	Share-based payments Options $	Total $	% Performance Based
Directors							
A.J. Morgan	244,238	-	-	-	-	244,238	0%
R.H. Krause	60,000	-	-	-	-	60,000	0%
R.W. Nice[1]	48,000	-	-	-	-	48,000	0%
Executives							
D.W. Clark	63,000	-	-	-	-	63,000	0%
Total key management personnel compensation	**415,238**	**-**	**-**	**-**	**-**	**415,238**	

[1] Non-executive director's fees for 3 years to 30 June 2016.

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 2017 no new share Performance Rights were granted to Directors.

(d) Cash Bonuses

No cash bonuses were paid to Directors or Key Management Personnel during the 2016-2017 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

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 2017	Balance at 1 July 2016	Granted as compensation	Received on exercise of Performance Rights	Other changes	Balance at 30 June 2017	Balance held nominally
Name						
R.H. Krause	1,000,000	-	-	-	1,000,000	-
A.J. Morgan	5,998,801	-	-	-	5,998,801	-
R.W. Nice	1,375,000	-	-	-	1,375,000	-
D.W. Clark	499,999	-	-	-	499,999	-
	8,873,800	**-**	**-**	**-**	**8,873,800**	**-**

There were no shares granted to key management personnel as remuneration in the 2017 Financial 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 2017	Balance at 1 July 2016	Granted as compensation	Rights exercised	Other changes	Balance at 30 June 2017	Total vested at 30 June 2017	Total vested and exercisable at 30 June 2017	Total vested and unexercisable at 30 June 2017
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	-
R.W. Nice	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
	6,000,000	-	-	-	6,000,000	6,000,000	6,000,000	-

(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

Payments made for key management personnel noted in (c) Details of Remuneration above are to JLK Consulting Pty Ltd, Projectex Pty Ltd and R.W. Nice & Associates Pty Ltd as payments for consulting services.

(f) Options and Rights Granted as Remuneration

No options were granted by Carbine Tungsten Limited to the Directors and Executives of the Group during the financial year as part of their remuneration.

Valuation of Options Granted to Key Management Personnel as Remuneration in the 2015 Financial Year and expensed in the 2017 Financial Year

30 June 2017	Number of granted options	Grant date	Expiry date	Fair Value per option at grant date	Total Fair Value of Options	Share-Based Payments: Expensed in the 2016 year	Share-Based Payments: Expensed in the 2017 year	Share-Based Payments: AASB 2 Not yet expensed
Name								
R.H. Krause	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	13,358	13,358	4,884
A.J. Morgan	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	13,358	13,358	4,884
A.E. Gordon[1]	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	13,358	13,358	4,884
R.W. Nice	2,000,000	12 Nov 2014	12 Nov 2017	$0.02	40,000	13,358	13,358	4,884
	8,000,000			**$0.02**	**160,000**	**53,432**	**53,432**	**19,536**

[1]Resigned 10 November 2014

(g) Equity Instruments Issued on Exercise of Remuneration Options

No equity instruments were issued during the 2017 financial year to Directors or other Key Management Personnel as a result of options exercised that had previously been granted as remuneration.

(h) 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 during the 2017 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 $240,000 during the 2017 financial year.

R.W. Nice

There is no written agreement with Mr Nice and no cash payments were paid to Mr Nice in his role as Non-executive director during the 2017 financial year. Accrued directors fees of $40,000 was recognised as an expense in the financial statements for the 12 months to 30 June 2017 as directors fees owing and as yet unpaid to Mr Nice at 30 June 2017.

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.

(i) Carbine's Financial Performance

Carbine's financial performance for the five years to 30 June 2017 is noted below and the relationship between results and performance is discussed.

Year ended	Measure	2017	2016	2015	2014	2013
Net loss after tax	$	(9,888,710)	(2,101,010)	(2,415,229)	(2,001,531)	(5,666,542)
Net Assets	$	2,371,501	10,744,570	11,189,606	12,237,120	13,393,476
Cash and cash equivalents	$	1,048,000	761,413	1,817,147	2,124,913	1,464,162
Cash flows from operating activities	$	(916,448)	(1,023,157)	(633,185)	(1,146,400)	(1,992,267)
EBITDAX	$	(865,010)	(943,493)	(1,232,524)	(517,359)	(3,988,717)
Share price at 30 June	$	$0.010	$0.030	$0.125	$0.100	$0.050
Basic Earnings/(loss) per share	Cents	(2.27)	(0.56)	(0.79)	(0.69)	(2.06)

Financial Performance

The loss of the consolidated Group for the financial year after tax amounted to $9,888,710 (2016: $2,101,010).

The Group is creating value for shareholders by pursuing its revised diversification strategies through the development and exploration of its newly acquired gold and lithium prospects along with maintaining its tungsten assets in Far North Queensland.

Financial Position

The Group's main activity during the year involved the investment of cash in the Group's Mt Carbine Tungsten Project along with the securing of gold exploration licences within NSW and lithium exploration concessions within Chile to provide Carbine with substantial exploration upside potential. In accordance with the Company's accounting policy, the recoverability of the carrying amount of Deferred Exploration and Evaluation Expenditure was reassessed and impaired to the sum of $5,635,332 for the 2017 financial year. The carrying value of the exploration assets at 30 June 2017 is $596,066 (2016: $6,176,398).

At 30 June 2017, the Group had a net working capital surplus of $1,023,557 (2016: $725,993 surplus). The increase in the net working capital surplus was due largely to a reduction and pay out of the Mitsubishi loan by $269,582 during the financial year.

The Directors reassess the carrying value of the Group's assets including deferred exploration expenditure, tenements and plant and equipment at each half year, or at a period other than that, should there be any indication of impairment to fair value. Given the uncertainty surrounding the unresolved sublease issues with the quarry and Mining Leaseholder and also the Company's revised diversification strategy, the Directors have reassessed the carrying value of certain capitalised exploration expenditure and plant and equipment relating to the Mt Carbine Sublease where the technical feasibility and commercial viability of the project has been adversely impacted and have impaired in full deferred exploration and evaluation expenditure in the sum of $5,635,332 and plant and equipment in the sum of $2,154,760 resulting in an impairment expense of $7,790,092 taken to the Income Statement for the 2017 financial year. The Directors have not impaired the highly prospective Iron Duke tungsten project at Mt Carbine which remains in good standing. See Notes 7,8 and 18 for further information.

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 $767,611 (after share issue costs) from a Placement to Professional and Sophisticated Investors and placements in lieu of cash for consulting services.

During the 2015-2016 financial year the Company carried out pilot and laboratory test programs at its Research and Development Tailings Retreatment Plant from which it received a Research and Development tax offset of $572,918 (2016: $769,717).

End of audited remuneration report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an Officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an Officer, including costs and expenses in successfully defending legal proceedings.

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:

	2017	2016
	$	$
Audit-related services		
Amounts paid or payable to BDO Audit (NTH QLD) Pty Ltd		
- Audit services	**36,000**	37,500
Taxation services		
Amounts paid or payable to BDO Audit (NTH QLD) Pty Ltd		
- Tax compliance services (tax returns)	**7,000**	7,000
	43,000	44,500

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 Melbourne this 25th day of September 2017 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 2017

	Note	2017 $	2016 $
Revenue	2	**26,937**	26,767
Other income	2	**846,241**	774,971
Administration expenses		**(335,320)**	(326,182)
Consultant expenses		**(448,129)**	(352,837)
Depreciation	7	**(886,669)**	(936,036)
Development and testwork costs		**(84,744)**	(117,950)
Loss on revaluation of financial assets	4	**(441,976)**	(134,983)
Gain/(Loss) on revaluation of investments		**(2,836)**	2,063
Exploration expenses written off		**(335,303)**	(205,289)
Plant and equipment written down	7, 18	**(2,154,760)**	-
Deferred exploration and evaluation assets written down	8, 18	**(5,635,332)**	-
Finance costs		**(11,636)**	(16,192)
Foreign exchange gains (losses)		**5,769**	(55,852)
Occupancy expenses		**(45,196)**	(117,619)
Salaries and employee benefits expense		**(254,348)**	(363,458)
Superannuation		**(8,075)**	(26,256)
Travel and accommodation		**(68,843)**	(108,210)
Other expenses		**(54,490)**	(143,947)
LOSS BEFORE INCOME TAX EXPENSE		**(9,888,710)**	(2,101,010)
INCOME TAX EXPENSE	3	**-**	-
LOSS AFTER INCOME TAX EXPENSE	13	**(9,888,710)**	(2,101,010)
Other comprehensive income for the year		**-**	**-**
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO OWNERS OF CARBINE TUNGSTEN LIMITED		**(9,888,710)**	(2,101,010)
		Cents	**Cents**
Basic loss per share	13	**(2.27)**	(0.56)
Diluted loss per share	13	**(2.27)**	(0.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	**2017** $	2016 $
CURRENT ASSETS			
Cash assets	20(b)	**1,048,000**	761,413
Trade and other receivables		**51,264**	101,699
Financial assets	4	**41,453**	973,494
Prepayments		**63,065**	68,035
TOTAL CURRENT ASSETS		**1,203,782**	1,904,641
NON-CURRENT ASSETS			
Receivables	6	**746,719**	729,619
Plant and equipment	7	**2,839**	3,049,071
Deferred exploration and evaluation expenditure	8	**596,066**	6,176,398
Financial assets	4	**2,320**	205,489
TOTAL NON-CURRENT ASSETS		**1,347,944**	10,160,577
TOTAL ASSETS		**2,551,726**	12,065,218
CURRENT LIABILITIES			
Payables	9	**166,116**	164,225
Borrowings	10	**-**	269,582
Financial liabilities	11	**14,109**	744,841
TOTAL CURRENT LIABILITIES		**180,225**	1,178,648
NON-CURRENT LIABILITIES			
Financial liabilities	11	**-**	142,000
TOTAL NON-CURRENT LIABILITIES		**-**	142,000
TOTAL LIABILITIES		**180,225**	1,320,648
NET ASSETS		**2,371,501**	10,744,570
EQUITY			
Issued capital	12	**1,797,341**	30,873,793
Accumulated losses		**-**	(20,650,098)
Reserves		**574,160**	520,875
TOTAL EQUITY		**2,371,501**	10,744,570

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		**(1,512,422)**	(1,787,970)
R & D Tax concession offset received		**572,918**	769,717
Diesel fuel rebate		**6,015**	5,504
Interest paid		**(12,725)**	(37,178)
Interest received		**29,766**	30,188
NET CASH FLOWS USED IN OPERATING ACTIVITIES	20(a)	**(916,448)**	(1,019,739)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for the purchase of plant and equipment		**(1,768)**	(65,640)
Proceeds from the sale or disposal of plant and equipment		**12,000**	964
Payments for the purchase of Tenements		**(55,000)**	-
Payments for Tenement Security Deposits		**(20,500)**	-
Proceeds from the release of Tenement Security Deposits		**-**	15,077
Proceeds from the release of Other Security Deposits		**1,539**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(63,729)**	(49,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		**1,370,367**	1,110,899
Payments for share issue costs		**(75,670)**	(5,115)
Loans repaid		**(27,933)**	(1,092,180)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,266,764**	13,604
Net (decrease)/increase in cash held		**286,587**	(1,055,734)
Add opening cash brought forward		**761,413**	1,817,147
CLOSING CASH CARRIED FORWARD	20(b)	**1,048,000**	761,413

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Attributable to the Shareholders of Carbine Tungsten Limited			
CONSOLIDATED	**Issued Capital $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
AT 1 JULY 2015	**29,271,250**	**(18,549,088)**	**467,444**	**11,189,606**
Loss for the period	-	(2,101,010)	-	(2,101,010)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	**(2,101,010)**		**(2,101,010)**
Transactions with owners in their capacity as owners				
Issue of share capital	1,607,658	-	-	1,607,658
Share issue costs	(5,115)	-	-	(5,115)
Share based payments	-	-	53,431	53,431
Total transactions with owners in their capacity as owners	**1,602,543**	-	**53,431**	**1,655,974**
BALANCE AT 30 JUNE 2016	**30,873,793**	**(20,650,098)**	**520,875**	**10,744,570**
AT 1 JULY 2016	**30,873,793**	**(20,650,098)**	**520,875**	**10,744,570**
Loss for the period	-	**(9,888,710)**	-	**(9,888,710)**
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	**(9,888,710)**	**-**	**(9,888,710)**
Transactions with owners in their capacity as owners				
Issue of share capital	**1,538,026**	**-**	**-**	**1,538,026**
Share issue costs	**(75,670)**	**-**	**-**	**(75,670)**
Reduction of capital - s258F	**(30,538,808)**	**30,538,808**	**-**	**-**
Share based payments	**-**	**-**	**53,285**	**53,285**
Total transactions with owners in their capacity as owners	**(29,076,452)**	**-**	**53,285**	**1,515,641**
BALANCE AT 30 JUNE 2017	**1,797,341**	**-**	**574,160**	**2,371,501**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The Directors are cognisant of the fact that future development and administration activities are constrained by available cash assets and believe future identified cash flows are sufficient to fund the short-term working capital and forecasted exploration requirements of the Company.

The reliance on raising additional funding by capital raisings or other alternative funding arrangements give rise to the existence of 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 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) Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

The Company has placed shares with Lanstead Capital LP and at the same time entered into a Sharing Agreement in respect of the subscription for which consideration will be received monthly over an 18-month period as disclosed in the notes to these financial statements. The amount receivable each month is dependent upon the Company's share price performance. The Directors have made assumptions in the financial statements about funds receivable at the year end. However, there is significant uncertainty underlying these assumptions due to the unpredictable nature of the Company's share price. Refer to Note 4 for details.

(f) 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.

(g) 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.

(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) 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.

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.

(j) 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.

(k) 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:

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.

Research and Development Refundable Tax Offset

The Research and Development Refundable Tax Offset is recognised as revenue when it is received.

(l) 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.

(m) 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.

(n) Currency

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

(o) 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 24.

(p) 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.

Impairment of Non-Financial Assets

The consolidated entity assesses impairment of non-financial 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. Refer to notes 7, 8, and 18 for further detail regarding judgements made when assessing impairment of plant and equipment and deferred exploration and evaluation costs and determining their recoverable amount.

Derivative Financial Instruments

The recoverable value of derivative financial assets is dependent on the Company's share price. Management has estimated the recoverable value at year end based on the share price at that date.

2. REVENUE AND OTHER INCOME

	2017	2016
Revenue	**$**	$
Interest received – other persons/corporation	**26,937**	26,767
	26,937	26,767
Other income		
Research and development tax concession refund	**572,918**	769,717
Reimbursement and loan facility set-off	**261,879**	-
Diesel fuel rebates	**6,015**	5,122
Other income	**5,429**	132
	846,241	774,971
Total revenue and other income	**873,178**	801,738

3. INCOME TAX

	2017	2016
(a) Income tax expense	**$**	$
Current income tax		
Current income tax benefit	**(2,576,245)**	(549,645)
Current income tax benefit not recognised	**421,050**	549,645
Deferred income tax		
Relating to deductible and taxable temporary differences	**2,155,195**	-
Income tax (benefit)/expense	**-**	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	**(9,888,710)**	(2,101,010)
Tax at the Australian rate of 27.5% (2016: 30%)	**(2,719,395)**	(630,303)
Tax effect of amounts which are not taxable in calculating taxable income:		
Other	**143,150**	80,658
Deferred tax asset not recognised	**2,576,245**	549,645
	-	-
(c) Deferred tax		
Assets		
Tax losses available to offset against future taxable income	**-**	1,859,661
Accrued expenses	**24,470**	8,808
Employee leave liabilities	**7,369**	7,183
Impairment - plant and equipment	**592,559**	-
Deferred tax asset not recognised	**(443,137)**	
	181,261	1,875,652
Liabilities		
Capitalised exploration and evaluation expenditure	**163,918**	1,852,919
Prepaid expenses	**17,343**	22,733
	181,261	1,875,652
Net deferred tax asset	**-**	-
(d) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	**5,033,352**	2,931,250
Timing differences	**443,137**	
	5,476,489	2,931,250

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2017.

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 2017 of $18,303,099 (2016: $16,772,008). A future income tax benefit which may arise from tax losses of 27.5% of approximately $5,033,352 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.

4. FINANCIAL ASSETS

	2017	2016
	$	$
Current		
Derivative financial asset[1]	**41,453**	973,494
Total current	**41,453**	973,494
Non-Current		
Derivative financial asset[1]	**-**	200,333
Other - Shares in listed companies:		
Sovereign Gold Company Ltd	**2,320**	5,156
Total Non-Current	**2,320**	205,489

[1] In November 2015 and March 2016, the Company entered into two separate agreements with Lanstead Capital LP ("Lanstead"), Tranche A and Tranche B Share Subscription Agreements and Tranche A and Tranche B Sharing Agreements. Under the Share Subscription Agreements 75,000,000 ordinary shares were issued to Lanstead for a cash consideration of $1,875,000. A value payment of 8,000,000 shares was issued to Lanstead as consideration for entering into the Sharing Agreements. $281,250 was received upon subscription with the balance of $1,593,750 invested by the Company in Sharing Agreements, to be returned in monthly instalments commencing in January 2016 (Tranche A) and May 2016 (Tranche B).

Shares issued	**Shares**	$
Shares issued on subscription to agreement	18,750,000	281,250
Value payment issued to Lanstead	8,000,000	-
Shares subject to sharing agreement	56,250,000	1,593,750
	83,000,000	1,875,000

Under the Sharing Agreement, monthly settlements are made based a five-day volume weighted average price (VWAP) of the Company's shares relative to a benchmark price of $0.033. If the market price of the Company's shares exceeds the benchmark price, a payment is made by Lanstead to the Company, with the amount of the payment depending on the amount by which the market price exceeds the benchmark price. If the market price of the Company's shares is less than the benchmark prices, then a payment is made by the Company to Lanstead, with the amount of the payment depending on the amount by which the market price is less than the benchmark prices.

The net amount due from Lanstead at 30 June 2017 is $41,453 (2016: $1,173,827) (Financial assets – current and non-current).

The reconciliation of movements in derivative assets and liabilities and cash received to loss on derivative investments is shown as follows:

Reconciliation to loss on derivative investment	**2017**	2016
	$	$
Cash received	**564,367**	474,700
Net movement in Lanstead receivable	**1,095**	63,510
Net movement in derivative financial assets (fair value)	**(1,132,374)**	1,173,827
Net movement in derivative financial liability	**875,561**	(875,562)
Net movement in issued capital	**(750,625)**	(971,458)
Loss on derivative investment	**(441,976)**	(134,983)

The market value of the Sharing Agreement has been valued at the Company's share price of $0.010 as at 30 June 2017 relative to the benchmark price of $0.033. This is a level two asset under AASB 13 Fair Value Measurement.

The value of the future monthly Sharing Agreement settlements will vary with the Company's share price as follows:

Increase in the Company's share price by 25% above the benchmark share price	$26,016
Decrease in the Company's share price by 25% below the benchmark share price	($26,016)

The Derivative Financial Asset is revalued each month based on cash received and any recognised gain or loss is taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The monthly instalments conclude in November 2017.

5. AUDITORS' REMUNERATION

	2017	2016
Total amounts receivable by the current auditors of the Company for:	**$**	$
- Audit of the Company's accounts	**36,000**	37,500
- Tax compliance services – tax returns	**7,000**	7,000
	43,000	44,500

6. RECEIVABLES – NON-CURRENT

Tenement security deposits	**746,121**	726,121
Other security deposits	**598**	3,498
	746,719	729,619

The tenement deposits are restricted so that they are available for any rehabilitation that may be required on the mining exploration tenements (refer to Notes 15 and 16).

7. PLANT AND EQUIPMENT

Plant and equipment – at cost	**26,709**	7,033,925
Accumulated depreciation	**(23,870)**	(3,984,854)
	2,839	3,049,071

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

Carrying amount at beginning	**3,049,071**	3,933,178
Additions	**1,768**	65,640
Disposals	**(6,571)**	(13,711)
Plant and equipment written down	**(2,154,760)**	-
Depreciation expense	**(886,669)**	(936,036)
	2,839	3,049,071

The Directors have impaired plant and equipment relating to the Mt Carbine Tungsten Project in the sum of $2,154,760 for the 2017 financial year. See Note 18 for further information.

8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	**6,176,398**	**6,176,398**
Costs incurred during the period	**55,000**	**-**
Exploration and evaluation expenditure written down	**(5,635,332)**	**-**
Costs carried forward	**596,066**	**6,176,398**

Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	**-**	-
Expenditure on non-joint venture areas	**596,066**	6,176,398
Costs carried forward	**596,066**	6,176,398

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.

The Directors reassess 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. Given the uncertainty surrounding the unresolved sublease issues with the quarry and Mining Leaseholder and also the Company's revised diversification strategy, the Directors have reassessed the carrying value of certain capitalised exploration expenditure and plant and equipment relating to the Mt Carbine Sublease where the technical feasibility and commercial viability of the project has been adversely impacted and have impaired in full deferred exploration and evaluation expenditure in the sum of $5,635,332 for the 2017 financial year. The Directors have not impaired the highly prospective Iron Duke tungsten project at Mt Carbine which remains in good standing. See Note 18 for further information.

9. CURRENT LIABILITIES – PAYABLES

	2017 **$**	2016 $
Trade creditors	**43,716**	**21,279**
Accrued expenses	**88,980**	**29,361**
Royalties	**-**	**51,936**
Other	**33,420**	**61,649**
	166,116	**164,225**

10. BORROWINGS

Secured loan from Mitsubishi Corporation RtM Japan Ltd	**-**	**269,582**

A US$1 Million (AU$1,305,910) loan facility was established in February 2014 from Mitsubishi Corporation RtM Japan Ltd (Mitsubishi). The facility was terminated during the 2017 financial year. Repayments of principal and interest of US$28,900 (AU$40,000) were made during the 2017 financial year. The remaining loan balance of US$180,000 (AU$229,582) was set-off through reimbursement to Carbine Tungsten Limited of due diligence costs incurred by the Company prior to the commencement of the loan facility.

11. FINANCIAL LIABILITIES

Current		
Unissued shares liability (i)	**14,109**	**11,281**
Derivative financial liability (ii)	**-**	**733,560**
Designated at fair value through profit and loss	**-**	**-**
Total current financial liabilities	**14,109**	**744,841**
Non-Current		
Derivative financial liability (ii)	**-**	**142,000**
Total financial liabilities	**14,109**	**886,841**

(i) During the year ended 30 June 2017, a share placement liability arose due to work undertaken by a consultant and agreement was reached for the payment of these services through the issue of shares. A share placement to the consultant is due to take place in the 2017-18 financial year once the work has been completed.

(ii) As announced by the Company on 18 November 2015, the Company entered into a Sharing Agreement with Lanstead Capital LP ('Lanstead') to allow the Company to retain much of the economic interest in the 56,250,000 shares subscribed by Lanstead (see Notes 4 and 12). The derivative financial liability resulting from the Sharing Agreement is amortised over the period of the Sharing Agreement in 18 equal monthly instalments commencing from 1 January 2016 (Tranche A) and May 2016 (Tranche B).

12. CONTRIBUTED EQUITY

	2017	2016
Share Capital	**$**	$
482,876,418 (2016: 418,415,995) ordinary shares fully paid	**32,336,149**	30,873,793

(a) Movements in Ordinary Share Capital

1 July 2016 to 30 June 2017	Date	Number of Shares	Issue Price	$
Balance b/fwd		**418,415,995**		**30,873,793**
Shares issued to consultant	08-07-2016	460,423	$0.025	11,281
Placement to professional and sophisticated investors	28-03-2017	62,000,000	$0.013	806,000
Shares issued to consultant	28-04-2017	2,000,000	$0.013	26,000
Lanstead Capital LP - Tranche A - subject to an 18 month sharing agreement – 17 of 18 instalments settled	30-06-2017	**	**	410,198
Lanstead Capital LP - Tranche B - subject to an 18 month sharing agreement – 13 of 18 instalments settled	30-06-2017	**	**	284,547
Share issue costs				(75,670)
Reduction of Capital - S258F*		-	-	(30,538,808)
Balance as at 30 June 2017		**482,876,418**		**1,797,341**

1 July 2015 to 30 June 2016	Date	Number of Shares	Issue Price	$
Balance b/fwd		**309,968,026**		**29,271,250**
Shares issued to Lanstead Capital LP	20-11-2015	13,000,000	$0.025	325,000
Lanstead Capital LP - subject to an 18 month sharing agreement – 17 of 18 instalments settled	30-06-2017	30,000,000	***	243,833
Shares issued to participants in the 2015 Non-renounceable Entitlements Offer	18-12-2015	16,147,969	$0.025	403,700
Shares issued to shortfall participants in the 2015 Non-renounceable Entitlements Offer	18-12-2015	9,300,000	$0.025	232,500
Shares issued to Lanstead Capital LP as a shortfall participant in the 2015 Non-renounceable Entitlements Offer	11-03-2016	13,750,000	$0.024	330,000
Shares issued to Lanstead Capital LP as a shortfall participant in the 2015 Non-renounceable Entitlements Offer and subject to an 18 month sharing agreement – 2 of 18 instalments settled	11-03-2016	26,250,000	***	72,625
Share issue costs				(5,115)
Balance as at 30 June 2016		418,415,995		30,873,793

* On 30 June 2017 the Company reduced its share capital by $30,538,808 in accordance with Section 258F of the Corporations Act.

** Underlying shares were issued in the prior financial year.

*** Issue price subject to Sharing Agreement with Lanstead Capital LP

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

	Date	Number of Options	Exercise Price	Maturity
Unlisted Options and Performance Rights				
Options issued to Directors as remuneration approved by shareholders at the 2014 AGM	12-11-14	8,000,000	$0.20	12-11-17
Balance as at 30 June 2017		**8,000,000**		

13. EARNINGS PER SHARE

	2017	2016
	$	$
Loss after income tax attributable to the owners of Carbine Tungsten Limited used in calculating basic and diluted earnings per share	**(9,888,710)**	(2,101,010)
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	**435,355,259**	359,930,611
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.	**435,355,259**	359,930,611
	Cents	Cents
Basic (loss) per share (cents)	**(2.27)**	(0.56)
Diluted loss per share (cents)	**(2.27)**	(0.56)

Conversion, call, subscription or issue after 30 June 2017:

Since the end of the financial period, and before the reporting date of these financial statements, the following conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares have taken place:

	2017	2016
	No of shares	No of shares
Subscriptions for ordinary shares	**-**	460,423
Total subscriptions for ordinary shares	**-**	460,423

14. KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	**387,475**	415,238
Post-employment benefits	**-**	-
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share based payments	**-**	-
Balance at the end of period	**387,475**	415,238

15. CONTINGENT LIABILITIES

The Group has provided guarantees totalling $746,121 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.

16. 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.

	2017	2016
	$	$
Payable not later than one year	**1,488,000**	340,000
Payable later than one year but not later than two years	**6,170,000**	1,040,000
	7,658,000	1,380,000

17. INVESTMENT IN SUBSIDIARIES

	Equity Interest		**Cost of Parent Entity's Investment**	
Parent Entity	**2017**	2016	**2017**	2016
Carbine Tungsten Limited	**%**	%	**$**	$
Controlled Entities				
South Eastern Resources Pty Ltd	**100**	100	**3**	3
Cast Resources Pty Ltd	**100**	100	**2**	2
Troutstone Resources Pty Ltd	**100**	100	**2**	2
Kaowest Pty Ltd	**100**	100	**-**	-
Icon Resources Africa Pty Ltd	**100**	100	**10**	10

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

18. IMPAIRMENT OF DEFERRED EXPLORATION EXPENDITURE AND PLANT AND EQUIPMENT

The Directors reassess the carrying value of the Group's assets including deferred exploration expenditure, tenements and plant and equipment at each half year, or at a period other than that, should there be any indication of impairment to fair value. When making their assessment for the 2016-2017 financial year the Directors took the following into consideration:

During the financial year the Company fulfilled its diversification commitments to reduce the Company's exposure to one metal commodity whilst maintaining its tungsten assets at Mt Carbine in Far North Queensland. As part of its diversification process the Company acquired two gold prospects in NSW and a number of exploration concessions were granted within Northern Chile as part of its exploration work for lithium and other valuable minerals. The Company has also maintained its two tungsten focused Exploration Permits (EPM 14871 & EPM 14872) located at Mt Carbine, North Queensland which were both renewed for a further term of 5 years to December 2020.

EPM 14872 contains both the Iron Duke and Petersen's Lode prospects whilst EPM 14871 features the Mt Holmes tin-tungsten prospect.

The Company believes that EPM 14872 holds significant exploration upside given that the tungsten grades indicated in the sampling of the Iron Duke and Petersen's Lode are extensively higher than the estimated global average grade in the present open-pit resource within the Mt Carbine Sublease. These unencumbered, greenfield sites also offer the added advantage of having minimal environmental legacy issues.

The Company's long-term and numerous attempts to pursue the purchase of the Mt Carbine quarry and associated mining leases, owned and operated by the Mining Leaseholder, Mt Carbine Quarries Pty Ltd have to-date proven unsuccessful and in an attempt to resolve several sublease issues Carbine initiated a dispute conciliation process under the Sublease with the quarry and mining leaseholder in January 2017. As stated in the Company's June 2017 Quarterly Activities Report some issues from the conciliation process remain unresolved.

Given the uncertainty surrounding the unresolved sublease issues with the quarry and Mining Leaseholder and also the Company's revised diversification strategy, the Directors have reassessed the carrying value of certain capitalised exploration expenditure and plant and equipment relating to the Mt Carbine Sublease where the technical feasibility and commercial viability of the project has been adversely impacted and have impaired in full deferred exploration and evaluation expenditure in the sum of $5,635,332 and plant and equipment in the sum of $2,154,760 resulting in an impairment expense of $7,790,092 taken to the Income Statement for the 2017 financial year. The Directors have not impaired the highly prospective Iron Duke tungsten project at Mt Carbine which remains in good standing.

Combined assets (deferred exploration and evaluation expenditure, plant and equipment and financial assets) relating to the Mt Carbine Sublease write-down and the financial impact of the impairment to determine fair value are summarised below:

COMBINED DEFERRED EXPENDITURE, PLANT AND EQUIPMENT AND FINANCIAL ASSETS

	2017	2016
Non-current assets	**$**	$
Receivables	**716,473**	716,473
	716,473	716,473
Plant and equipment		
Plant and equipment – at cost	**26,709**	7,012,078
Accumulated depreciation	**(23,870)**	(3,963,483)
	2,839	3,048,595
Deferred exploration and evaluation expenditure		
Exploration and evaluation expenditure	**596,066**	6,176,398
	596,066	6,176,398
TOTAL combined fair value	**1,315,378**	9,941,466

Reconciliation of the carrying amount of Mt Carbine assets at the beginning and end of the current and previous financial year		
Combined assets carrying amount at the beginning of the year	**9,941,466**	10,825,032
Additions	**56,768**	65,640
Disposals	**(6,571)**	(13,711)
Plant and equipment written down	**(2,154,760)**	-
Exploration and evaluation expenditure written down	**(5,635,332)**	-
Depreciation expense	**(886,193)**	(935,495)
TOTAL combined fair value	**1,315,378**	9,941,466

19. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2017 that have not previously been reported other than:

- The Company announcing on 19 July 2017 it had received official confirmation of the grant of 5 exploration concessions in northern Chile. The concessions are valid till 10 May 2019 and cover part of the Salar de Miraje, an enclosed rift basin in the Atacama Desert.

20. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax		**2017**	2016
		$	$
(a)	Operating loss after income tax	**(9,888,710)**	(2,101,010)
	Depreciation	**886,669**	936,036
	Options expense	**53,285**	53,431
	Gain on disposal of assets	**(5,769)**	-
	Loss on disposal of assets	**1,691**	12,747
	Set off of loan from Mitsubishi Corporation RtM Japan Ltd	**(269,582)**	-
	Plant and equipment written down	**2,154,760**	-
	Deferred exploration and evaluation assets written down	**5,635,332**	-
	(Revaluation) Devaluation of investment to market value	**2,836**	(2,063)
	Share based creditor and employee payments	**14,109**	11,281
	Unrealised foreign exchange (gains) losses	**(9,029)**	55,851
	Lanstead Capital LP receivable	**8,687**	63,510
	Loss on revaluation of derivative financial asset	**441,976**	134,983
	Change in assets and liabilities:		
	Decrease (Increase) in receivables	**50,435**	(55,896)
	Decrease (Increase) in other assets	**4,970**	(22,042)
	Increase/(decrease) in trade and other creditors	**1,892**	(106,567)
	Net cash outflow from operating activities	**(916,448)**	(1,019,739)

(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 Company's cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2017 comprised:

Cash assets	**1,048,000**	761,413
Cash on hand	**1,048,000**	761,413

(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	**26,000**	**-**
Sharing Agreement with Lanstead Capital LP	**253,817**	**1,227,768**

Share Placement and Sharing Agreement

On 20 November 2015, a share placement was made to Lanstead Capital LP ("Lanstead") to raise, in aggregate, A$1,000,000 through the issue of 40,000,000 shares at the placement price of $0.025 per share. On 11 March 2016, an additional placement was made to Lanstead to raise, in aggregate, A$875,000 through the issue of 35,000,000 shares at the placement price of $0.025 per share. As part of these placements, the Company retained A$281,250 of the aggregate A$1,875,000 subscription and the balance of A$1,593,750 was invested in a Sharing Agreement with Lanstead which enables the Company to secure much of the potential upside from share price appreciation over the next 18 months. A value payment of 8,000,000 shares was issued to Lanstead for entering into the Sharing Agreement such that, in total and at 30 June 2017, 83,000,000 shares have been issued to Lanstead pursuant to the Subscription Agreements. The balance of A$253,817 invested in the Sharing Agreement is not shown in the Consolidated Statement of Cash flows at 30 June 2017.

20. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 25 September 2017.

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".

21. 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 receivable 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) Price Risk

The Group is exposed to equity securities price risk. The Group has derivative financial assets, and investments held and classified on the Statement of Financial Position as available-for-sale, both as shown in Note 4.

(b) 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.

	2017	2016
Contracted maturities for payables year ended 30 June 2017	**$**	$
Payable:		
- less than 6 months	**166,117**	433,807
- 6 to 12 months	**-**	-
- 1 to 5 year	**-**	-
- later than 5 year	**-**	-
Total	**166,117**	433,807

(c) 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 - 2017

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Ordinary shares	**2,320**	**-**	**-**	**2,320**
Derivative financial assets	**-**	**41,453**	**-**	**41,453**
Total assets	**2,320**	**41,453**	**-**	**43,773**
Liabilities				
Derivative financial liabilities	**-**	**-**	**-**	**-**
Total liabilities		**-**	**-**	**-**

Consolidated - 2016

Assets	Level 1	Level 2	Level 3	Total
Ordinary shares	**5,156**	**-**	**-**	**5,156**
Derivative financial assets	**-**	**1,173,817**	**-**	**1,173,817**
Total assets	**5,156**	**1,173,817**	**-**	**1,178,973**
Liabilities				
Derivative financial liabilities	**-**	**875,560**	**-**	**875,560**
Total liabilities		**875,560**	**-**	**875,560**

There were no transfers between levels during the financial year.

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.

(d) 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.

(e) 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 including derivative financial assets and liabilities where the carrying amount exceeds the net fair values at reporting date. The Company's receivables at reporting date are detailed in Notes 4 and 6 and comprise primarily a derivative financial asset receivable from Lanstead Capital LP and 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.

(f) 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 2017 and 30 June 2016 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 2016 Annual Report. The consolidated entity is not subject to externally imposed capital requirements.

22. SHARE-BASED PAYMENTS

(a) Share based payments

	2017	2016
	$	$
Share-based payments expense	**53,285**	**53,431**
Share-based payments capitalised	**-**	**-**
Total share-based payments	**53,285**	**53,431**

	2017	2016
Schedule of share-based payments	**$**	$
Shares		
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	**53,285**	**53,431**
Subtotal allocated against Share Based Payment Reserve	**53,285**	**53,431**
Closing balance	**53,285**	**53,431**

(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.

	2017 Number	**2017 WAEP**
Outstanding at the beginning of the year	8,000,000	$0.20
Granted during the year	-	-
Converted/expired during the year	-	**-**
Outstanding at the end of the year	**8,000,000**	**$0.20**

(c) Options Issued

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 vesting immediately. The options must be exercised on or before the expiry date in cash. No listed or unlisted options were issued in the current financial year.

(d) Options lapsed during the reporting period

No options lapsed during the reporting period without exercise.

23. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Adoption of New Standards and Interpretations

Changes in accounting policies on initial application of Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2016, the Group has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 July 2016. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Consolidated Entity. The Consolidated Entity has not elected to early adopt any new standards or amendments.

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 2017, 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 16 (issued February 2016)	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. This standard will not apply to leases to explore for or use minerals.	**1 July 2019**
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 2018**
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**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2017. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations are that they will have no material effect.

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

24. 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.

	2017	2016
	$	$
ASSETS		
Current assets	**1,203,765**	1,904,614
Non –current assets	**1,347,962**	10,160,604
TOTAL ASSETS	**2,551,727**	12,065,218
LIABILITIES		
Current liabilities	**180,226**	1,178,648
Non current liabilities	**-**	142,000
TOTAL LIABILITIES	**180,226**	1,320,648
NET ASSETS	**2,371,501**	10,744,570
EQUITY		
Issued capital	**1,797,341**	30,873,793
Reserves	**574,160**	520,875
Accumulated losses	**-**	(20,650,098)
TOTAL EQUITY	**2,371,501**	10,744,570
FINANCIAL PERFORMANCE		
Profit (loss) for the year	**(9,888,710)**	(2,101,010)
Other comprehensive income/(loss) for the year	**-**	-
Total comprehensive profit/(loss)	**(9,888,710)**	(2,101,010)

Contingent Liabilities

As at 30 June 2017 and 30 June 2016 the Company had no contingent liabilities.

Contractual Commitments

As at 30 June 2017 and 30 June 2016 the Company had no contractual commitments other than those disclosed in Note 19.

Guarantees Entered into by Parent Entity

As at 30 June 2017, the Company has not provided any financial guarantees.

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 Note 1, 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 2017 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.

A J Morgan

CEO and Managing Director

Melbourne, 25 September 2017

AUDITOR’S INDEPENDENCE DECLARATION

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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 2017, 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, 25 September 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Carbine Tungsten Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carbine Tungsten Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of deferred exploration expenditure and plant and equipment assets

Key audit matter	*How the matter was addressed in our audit*

As disclosed in Note 18 an impairment expense of $7,790,092 has been recorded in the financial statements in relation to the Mt Carbine Tungsten Sublease. This comprises deferred exploration and evaluation expenditure written down of $5,635,332 and Plant and equipment written down of $2,154,760. At 30 June 2017 the carrying value of deferred exploration and evaluation expenditure is $596,066.
 	
This area is a key audit matter due to the significant estimates and judgements in the impairment assessment and the value of the assets to the group as a whole.
	Our audit procedures included, amongst others:
	• Considering whether there are any other facts or circumstances that existed to indicate impairment testing was required
	• Obtaining an understanding of the key processes associated with management's review of the carrying value of the projects assets and challenging management's assertion that the carrying amount of the capitalised expenditure was likely to be recovered
	• Reviewing the directors' assessment of the carrying value of the projects assets, ensuring that management have considered the effect of potential impairment indicators, commodity prices and the future plans for the project
	• Evaluating management's support and calculations for the impairment expense of $7,790,092 by checking:
	    o The allocation of the expenditure across the relevant tenements
	    o The mathematical accuracy of the amount written down
	    o That the amounts written down related to the Mt Carbine Tungsten sublease.
	• Obtaining evidence that the Group has valid rights to explore in the areas represented by the deferred exploration and evaluation expenditure by obtaining confirmation of a sample of the Group' s tenement holdings
	• Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest
	• Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 29 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Carbine Tungsten Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO

BDO Audit (NTH QLD) Pty Ltd

G Mitchell

Greg Mitchell

Director

Cairns, 25 September 2017

SHAREHOLDER INFORMATION

Information relating to shareholders at 20 September 2017 (per ASX Listing Rule 4.10)

Substantial Shareholders	**Shareholding**
Lanstead Capital L.P.	51,000,000
Leon Eugene Pretorius	36,000,001

Distribution of Shareholders as at 20 September 2017 **Number of Ordinary Shares Held**	**Number of Holders**	**Ordinary Shares**
1 – 1,000	57	10,232
1,001 – 5,000	57	200,748
5,001 – 10,000	124	1,092,193
10,001 – 100,000	565	26,074,527
100,001 – and over	495	455,498,718
	1,298	**482,876,418**

At the prevailing market price of 0.012 cents per share, there are 538 shareholders with less than a marketable parcel of $500.

Top 20 Shareholders of Ordinary Shares as at 20 September 2017	**Shares**	**% Shares issued**
Lanstead Capital L.P.	51,000,000	10.56
Dr Leon Eugene Pretorius	36,000,001	7.46
Mota-Engil Minerals & Mining Investments BV	16,000,000	3.31
Baglora Pty Ltd <Mott Family Super Fund A/C>	15,850,165	3.28
Bodie Investments Pty Ltd	15,000,000	3.11
TBB NSW Pty Ltd <The Watson No 1 A/C>	13,691,190	2.84
Mr Michael Shane Lang	10,000,000	2.07
Pershing Australia Nominees Pty Ltd <Accum A/C>	8,021,375	1.66
Mr Raymond Thomas Page	7,300,000	1.51
New Medical Enterprises Pty Ltd	6,000,000	1.24
WGS Pty Ltd	5,900,000	1.22
Alan Scott Nominees Pty Ltd <Superannuation Fund A/C>	5,500,000	1.14
Max Mobile Auto Clinic Pty Ltd	5,218,146	1.08
Silva Pty Ltd	5,105,000	1.06
Mr Paul Marchetti	5,022,662	1.04
JFSF Holdings Pty Ltd <The Jane Family S/F A/C>	5,000,000	1.04
JA Johnstone Pty Ltd <Waterhouse Super Fund A/C>	4,931,818	1.02
Andrew James Morgan	4,184,801	0.87
Mr Robert William Proe	4,000,000	0.83
Z&M Consolidated Pty Ltd <The Z and M Super Fund A/C>	4,000,000	0.83
Total of Top 20 Holdings	227,725,158	47.17
Other Holdings	255,151,260	52.83
Total Fully Paid Shares Issued	482,876,418	100.00

Employee Share based Performance Plan

At a General Meeting held 24 November 2015 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 replaces the previous Employee Share Option Scheme approved in 2012.

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.

FORWARD LOOKING STATEMENTS

Some statements contained within this report relate to the future and are forward looking statements. Such statements may include, but are not limited to, statements with regard to intention, capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Carbine Tungsten Limited’s control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements and intentions which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Carbine does not undertake any obligation to publicly release any updates or revisions to any forward looking statements contained in this presentation, whether as a result of any change in Carbine’s expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

Certain statistical and other information included in this presentation is sourced from publicly available third-party sources and has not been independently verified.

CARBINE TUNGSTEN