

## ASX Announcement

# ***Acquisition of modular processing plant for Mt Mulgine “a game changer for mine development”***

## Highlights

- Tungsten Mining and Pilbara Minerals have agreed terms for the acquisition of the modular Tabba processing plant;
- Plant acquisition is a game changer for Tungsten Mining that allows fast-tracked, low-capex development pathway for Mt Mulgine;
- \$600,000 cash-and-shares acquisition cost delivers a step change in Mt Mulgine capex requirements;

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Australian tungsten development company, Tungsten Mining NL (ASX: TGN) (“Tungsten Mining” or “the Company”), is pleased to advise that it has entered into a binding agreement (“the Agreement”) with Pilbara Minerals Limited (ASX: PLS) (“Pilbara”) to acquire the near new Tabba processing plant.

The processing plant was specifically designed and built in modules to recover a variety of heavy mineral concentrates and to allow for simple installation of additional modular units if required. The plant was constructed in 2015 but decommissioned in early 2016 following suspension of the tantalum project by Pilbara. The plant and associated infrastructure were subsequently dismantled, relocated and stored at Pilbara’s Pilgangoora site, south of Port Hedland.

The plant consists of a ball milling circuit, coarse and fine gravity recovery circuit, dewatering circuit, pipework, all associated hoppers and pumps, electrical and control equipment, modular concrete footings and tailings dam liners. It has a nameplate capacity of 30 tonnes per hour with upside to increase throughput via optimisation of the existing plant or addition of modules. The plant was designed and fabricated in Australia, with limited components sourced from overseas.

Due to its modular design, the plant offers great versatility to be able to respond quickly by producing a variety of concentrate specifications as determined by prevailing market conditions.

Given its recent construction and limited use, the plant is in excellent condition and has been stored on concrete pads and/or modular footings at Pilgangoora, ready for transport.

The Company believes the processing plant acquisition represents a step change in the capital requirements for project development and will deliver a competitive advantage to support initial market entry. Metallurgical test work has confirmed that the plant has the required configuration for the proposed Mulgine Hill operation.

The Company views the acquisition of the processing plant as a major step forward to fast-tracking the development of the Mt Mulgine Project, with a target of first tungsten concentrate production within two years.

## Consideration

The acquisition price is \$600,000, comprising \$300,000 cash payable at settlement and \$300,000 in Tungsten Mining shares ("Consideration Shares"). Settlement is conditional upon the execution of a more formal sale agreement which the parties have agreed to complete expeditiously.

The Consideration Shares are to be issued in two tranches, with the first tranche equating to \$150,000 (3,750,000 shares) to be issued at a deemed price of \$0.04 per share. The second tranche, representing deferred consideration equating to \$150,000, is to be issued six months after settlement at an issue price being the lesser of \$0.04 per share and the five-day volume weighted average price immediately preceding the date of issue.

## Mt Mulgine Project Update

The Mt Mulgine Tungsten Project continues to deliver on key areas, with the completion of an updated resource model, metallurgical test work program, pit optimisation and mine planning. Referral to the EPA for environmental assessment has been lodged, with a decision on the level of assessment imminent.

The acquisition of the Tabba processing plant will enable the rapid transition into the implementation phase of the Mt Mulgine Tungsten Project.

## Commentary

Tungsten Mining's Chief Executive Officer Craig Ferrier said:

*"The Mt Mulgine strategic development plan is predicated on a small-scale, low-capex model for the production of tungsten concentrate. The opportunity to acquire the Tabba plant will enable Tungsten Mining to rapidly progress to project implementation, delivering a genuine competitive advantage."*

*"We remain focussed on our objective of becoming a producer and are excited by the potential to apply operational experience and know-how gained from the small-scale operation to the larger Mt Mulgine resource."*

*"We are delighted to welcome Pilbara Minerals as a shareholder of Tungsten Mining and are committed to building on this relationship."*

## ENDS

Craig Ferrier  
Chief Executive Officer  
Tungsten Mining

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## Competent Person's Statement

*The information in this report that relates to Mineral Resources is extracted from the report titled 'June 2016 Mineral Resource Update and Core Sampling' released to the Australian Securities Exchange (ASX) on 24 June 2016 and available to view at [www.tungstenmining.com](http://www.tungstenmining.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement released on 24 June 2016 and that all material assumptions and technical parameters underpinning the estimates in original ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcements.*



*Figure 1: Ball Mill on foundations*



*Figure 2: Spirals*



*Figure 3: Feed bin*



*Figure 4: Tabba Tabba Plant as constructed (in-situ)*



## About Tungsten Mining

Emerging Australian tungsten developer Tungsten Mining NL is an Australian-based resources company listed on the Australian Securities Exchange. The Company's prime focus is the exploration and development of tungsten projects in Australia.

Tungsten (chemical symbol W) occurs naturally on Earth, not in its pure form but as a constituent of other minerals, only two of which support commercial extraction and processing – wolframite ((Fe,Mn)WO<sub>4</sub>) and scheelite (CaWO<sub>4</sub>).

Tungsten has the highest melting point of all elements except carbon – around 3400°C – giving it excellent high temperature mechanical properties and the lowest expansion coefficient of all metals. Tungsten is a metal of considerable strategic importance, essential to modern industrial development (across aerospace and defence, electronics, automotive, extractive and construction sectors) with uses in cemented carbides, high-speed steels and super alloys, tungsten mill products and chemicals.

Tungsten Mining has three advanced tungsten projects in Australia: the Mt Mulgine Project in the Murchison region; the Big Hill Project in the Pilbara region; and the Kilba Project in the Ashburton region of Western Australia. The Mt Mulgine, Big Hill and Kilba Projects, combined, contain Mineral Resources reported at a 0.10% WO<sub>3</sub> cut-off grade comprising Indicated Resources of 15.4Mt at 0.20% WO<sub>3</sub> and 26ppm Mo and Inferred Resources of 73.2Mt at 0.17% WO<sub>3</sub> and 220ppm Mo, totalling 88.6Mt at 0.18% WO<sub>3</sub> and 186ppm Mo. This represents more than 15.5 million MTU (metric tonne units) of WO<sub>3</sub> and 16,480 tonnes of contained molybdenum.

Tungsten Mining is currently identifying opportunities for near-term tungsten production, particularly from the Mulgine Hill and Mulgine Trench deposits within the Mt Mulgine Project.