CARBINE TUNGSTEN

CARBINE TUNGSTEN LIMITED

FINAL REPORT FOR THE
PERIOD ENDING 9 FEBRUARY 2012

HENTY ROAD – EL47/2004

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2. Carbine Tungsten Limited

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1 ABSTRACT

Henty Road EL47/2004 is held by South Eastern Resources Pty Ltd (SER), a wholly owned subsidiary of Icon Resources Ltd (Icon) and later by Carbine Tungsten Limited.

The 23 sq km licence straddles the Henty Road, south of Zeehan in Western Tasmania. The main focus of exploration on the lease has been on the Grieves Siding prospect where zinc mineralisation occurs within the Ordovician Gordon Limestone, mostly as a complex of zinc 'oxides' and in near-surface peat-hosted sphalerite.

Zinifex investigated the option of processing the peat-hosted zinc mineralisation by collecting bulk samples for metallurgical testwork. Zinc recoveries in the Rosebery mill were unviable largely because of the very different style of mineralogy (eg, the high organic content). The gravity separation tests also failed to separate the sphalerite much of which is very fine grained.

Icon conducted a large 3D-IP survey and followed this with a two phase diamond drill program to test for deeper primary zinc 'oxide' mineralisation along the Grieves Fault and to test chargeability anomalies identified in the IP survey.

Icon conducted comprehensive metallurgical testwork on the Zinifex samples and on additional samples from its own extensive auger pit program. Icon greatly enhanced the understanding of the nature of the zinc mineralisation within the peat and continued ongoing metallurgical studies with a view to developing a pilot plant to extract the zinc sulphides.

The extraction of zinc from the peat-hosted resource remains economically unviable. Metallurgical studies by Rogers Chemical Engineering resulted in high variances in the percentage of recovered zinc; and a high consumption of acid.

2 INTRODUCTION

This report details the work completed on EL47/2004 for the seven year period ending 9th February 2012.

The main focus of work has been the Grieves prospect of carbonate-hosted zinc mineralisation and overlying peat-hosted zinc. The mineralisation lies under swampy button grass plains adjacent to Henty Road, about 12 km south of Zeehan.

3 TENEMENT STATUS

Henty Road (EL47/2004) covers 23 sq km on either side of Henty Road, south of Zeehan in Western Tasmania (Figure 1).

The licence was granted to South Eastern Resources Limited (SER) on 10 February 2005 for a period of five years and extension of the licence a further two year term was granted.

Zinifex Limited managed the licence for twelve months while the company investigated the option of processing the surfical peated-hosted zinc resource at Grieves at the Rosebery Mill facilities. This agreement expired in September 2006.

In 2006 SER became a wholly owned subsidiary of Icon Resources Ltd. In 2011 Icon Resources Ltd (Icon), became Carbine Tungsten Limited.

4 TOPOGRAPHY AND ACCESS

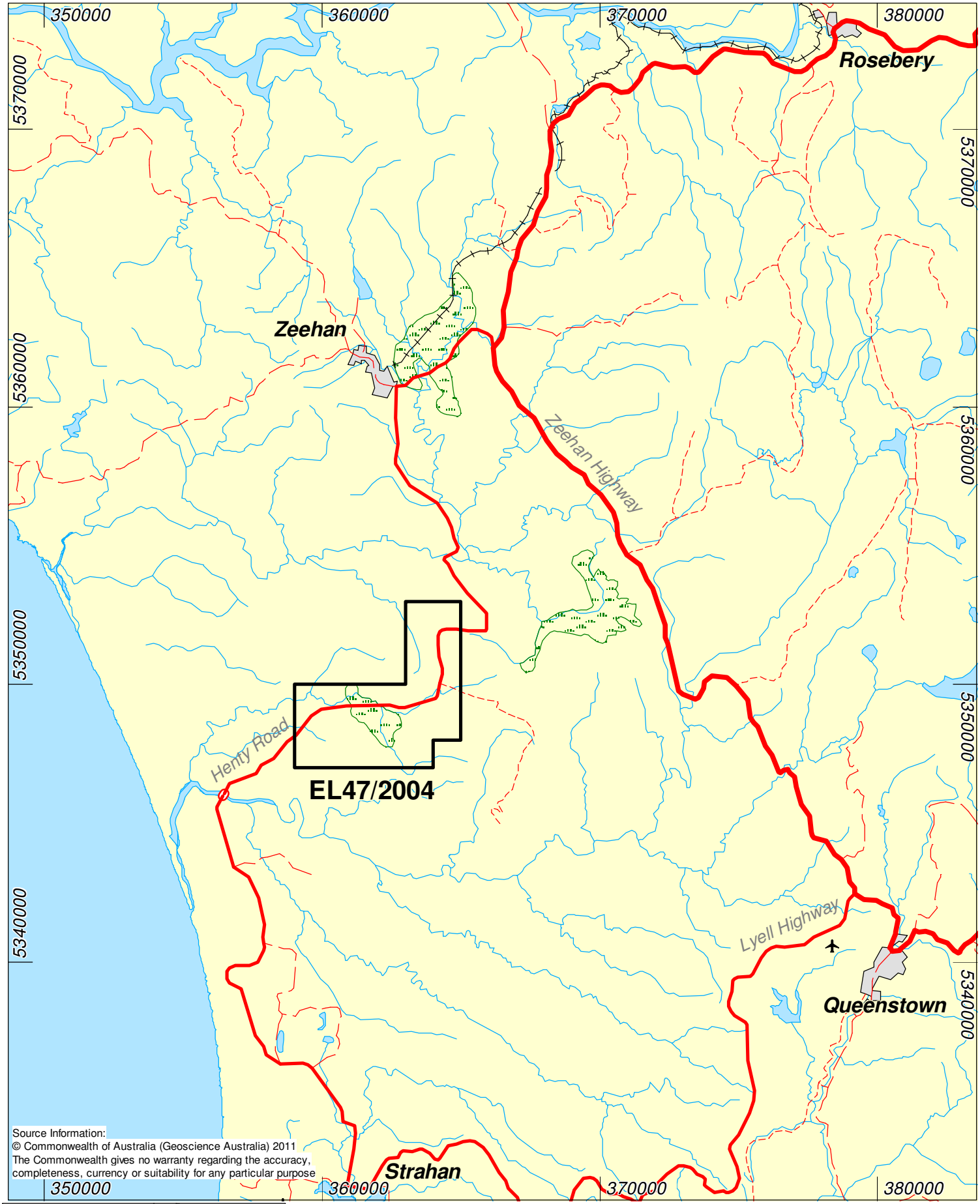
The Henty Road, linking Zeehan and Strahan transects the license, providing ideal access. East of the road the license falls within the Dundas Regional Reserve and west of the road is within State Forest.

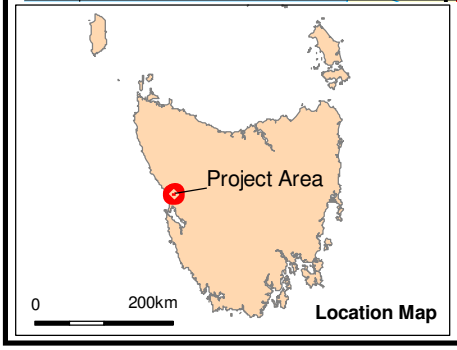
In the area of the zinc prospects the Henty Road traverses the Badger River valley. For several hundred metres either side of the road there are low-lying swampy button grass plains overlying weathered limestone. The plains are flanked west and east by escarpments of sandstone quartzite 70-90m high.

5 GEOLOGY

5.1 Regional Geology

The regional geology of western Tasmania was dominated by rifting during the Late Precambrian to Early Cambrian. This was followed in the Early to Mid Cambrian by arc-continent collision, subduction and ultramafic allochthon emplacement. The Dundas Trough developed containing siliciclastics and volcanic derived sediments. To the east and interfingering with the sediments the Mount Read Volcanics were being formed. The base of the Ordovician sequence is typically localized conglomerates ands grades up to sandstones and carbonates. The Mid Ordovician carbonates of the Gordon Group are part of a widespread sedimentary basin with variable rates of subsidence. These are the host rocks for prospects within the license (Figure 2).





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Map Grid of Australia Zone 55
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ICON RESOURCES LTD

EL47/2004 Henty Road TAS
Tenement Location

Date: 6 Jan 2011	Author: DH	QA: DM	Office: Hobart

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5.2 Local Geology

The rocks in the licence are a conformable Ordovician to Devonian sedimentary sequence overlying Cambrian basement. Cambrian basement rocks occur in the southern part of the license and are mainly interbedded siltstone and sandstone with some magnetic mafic igneous rocks.

The basal unit of the Ordovician sequence is the pink, silicified and coarse grained Owen Conglomerate. Within the lease it is overlain by siliceous fine grained Moina Sandstone. To the east of the lease the Moina was faulted-out, or deposited only to the west as a result of syn-depositional faulting.

Overlying the Moina Sandstone is Ordovician Gordon Limestone, assumed to be at least 700m thick within the licence. The dark grey limestone contains various facies including a basal bioclastic argillite and oolite which has been pervasively dolomitized and sideritized.

The Lord Siltstone, a fine grained argillaceous unit, forms a marker throughout the Gordon Limestone. An Upper Dolomite unit is recognized in the Zeehan area.

There are occasional outcrops of limestone visible in road cuttings and the limestone has been strongly weathered to a depth of several hundred metres. The top 20m is highly weathered to form an undulating surface that has been infilled by organic material (peat) and “slumped” blocks of limestone. The peat is overlain by up to 8m (usually <2m) of hard Moina Sandstone gravel that has shed off the escarpment from the southeast and a surface veneer of swampy peat.

The Gordon Limestone is conformably overlain by Silurian Crotty Quartzite that dips steeply northeast.

The Owen Conglomerate, Moina Sandstone and Crotty Quartzite form 70-90m high escarpments either side of the low-lying weathered limestone.

The sediments are folded around axes trending NW and cut by a series of NW-trending faults (Figure 3).

6 PREVIOUS EXPLORATION

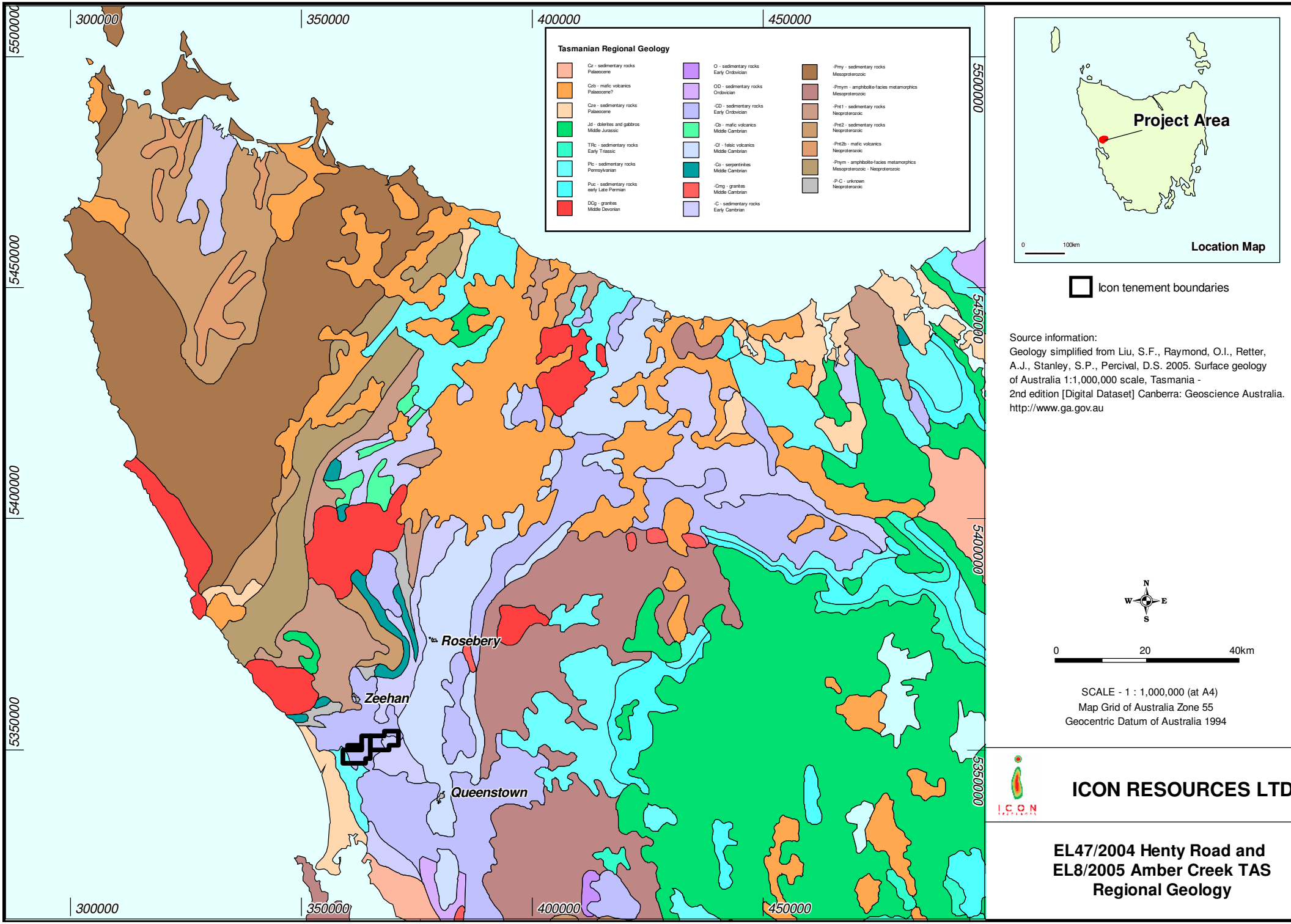
Previous exploration has been summarised in the first annual report (Lewis, 2006).

7 MINERAL OCCURENCES

This summary was partly compiled from Russell and Tear, 1996.

Previous explorers have interpreted zinc-lead mineralisation within the Gordon Limestone to be pre-Devonian in age and unrelated to the Tabberabberan Orogeny (i.e., in contrast to most of the Zeehan silver-lead field). The Gordon Limestone was deposited at the end of a period of major tectonic activity that produced the Mount Read Volcanics. Hydrothermal systems may have continued to emit metals into the Gordon Limestone via basement and syn-sedimentary faults.

Five zones within the Gordon Limestone have been recognised as targets for zinc-lead mineralisation.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Tasmanian Regional Geology
Cz - sedimentary rocks
Palaeocene
Czb - mafic volcanics
Palaeocene?
Cze - sedimentary rocks
Palaeocene
Jd - dolerites and gabbros
Middle Jurassic
TRc - sedimentary rocks
Early Triassic
Plc - sedimentary rocks
Pennsylvanian
Puc - sedimentary rocks
early Late Permian
DCg - granites
Middle Devonian
O - sedimentary rocks
Early Ordovician
OD - sedimentary rocks
Ordovician
-CD - sedimentary rocks
Early Ordovician
-Cb - mafic volcanics
Middle Cambrian
-Cf - felsic volcanics
Middle Cambrian
-Co - serpentinites
Middle Cambrian
-Cmg - granites
Middle Cambrian
-C - sedimentary rocks
Early Cambrian
-Pmy - sedimentary rocks
Mesoproterozoic
-Pmym - amphibolite-facies metamorphics
Mesoproterozoic
-Pnt1 - sedimentary rocks
Neoproterozoic
-Pnt2 - sedimentary rocks
Neoproterozoic
-Pnt2b - mafic volcanics
Neoproterozoic
-Pnym - amphibolite-facies metamorphics
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-P-C - unknown
Neoproterozoic
Rosebery
Zeehan
Queenstown
Project Area
0
100km
Location Map
Icon tenement boundaries
Source information:
Geology simplified from Liu, S.F., Raymond, O.l., Retter, A.J., Stanley, S.P., Percival, D.S. 2005. Surface geology of Australia 1:1,000,000 scale, Tasmania - 2nd edition [Digital Dataset] Canberra: Geoscience Australia. http://www.ga.gov.au
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ICON RESOURCES LTD
EL47/2004 Henty Road and
EL8/2005 Amber Creek TAS
Regional Geology
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- Stratabound at the lower limestone-sandstone contact. This zone is characterised by carbonaceous and/or ferruginous clays less than 50m thick above the contact with the Moina Sandstone. It can be overlain by a massive siderite zone less than 25m thick.

- Stratabound at the upper limestone-quartzite contact. This zone is typically within the Upper Dolomite Unit.

- Stratabound within a brecciated (possibly syn-sedimentary) and/or sideritized unit in the middle of the limestone.

- Structurally controlled discordant mineralisation. This can occur throughout the limestone sequence and may be the late-stage filling of brittle fractures.

- Surficial peat hosted: e.g., at the Grieves prospect, the peat layer beneath the sandstone gravel contains significant values of zinc in zones directly overlying the limestone-hosted oxide mineralized zone. Recent work has shown the metals occur within the clays as fine colloform sphalerite and galena, apparently actively depositing within the organic carbon and "growing" in-situ (Purvis, 2006).

7.1 Grieves

Mineralisation at Grieves is divided into two zones:

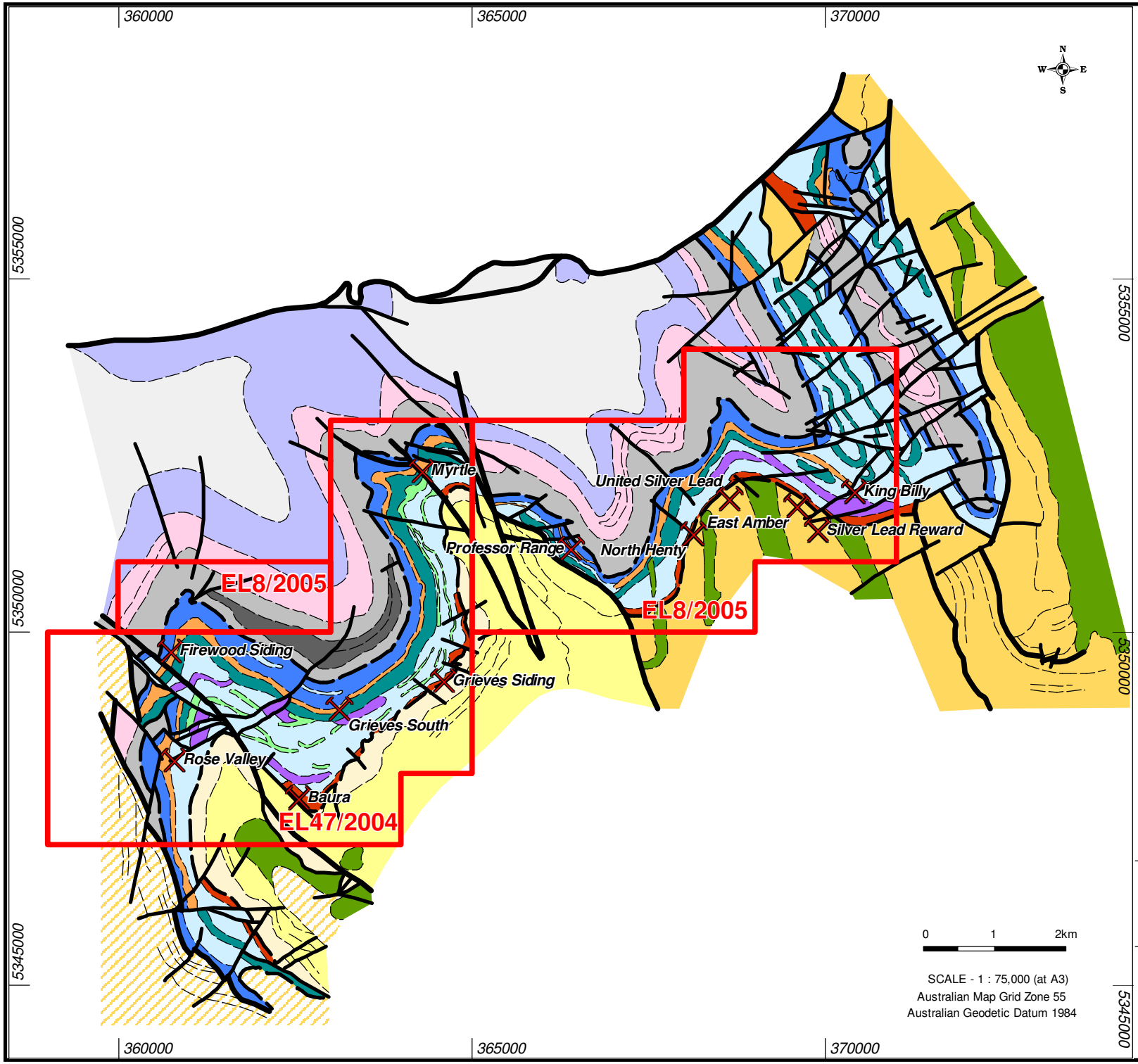
- Near surface peat-hosted sphalerite overlying the Gordon Limestone, at the base of the escarpment formed by Moina Sandstone.
- Sphalerite and minor galena partially oxidised to zinc oxides, carbonates and silicates to a depth of 100 to 200m. The best grades to date are from the lower limestone/sandstone contact. The peat resource occurs above this zone.

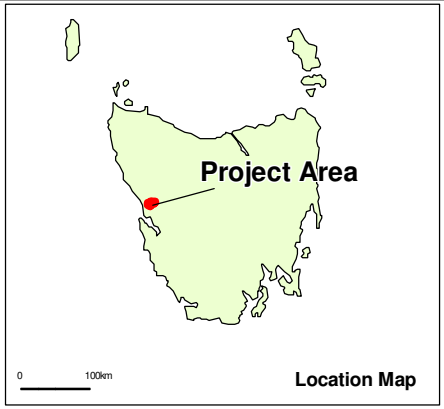
A JORC-compliant Inferred Resource was calculated by Tracie Burrows in December 2006 for the peat-hosted zinc of 409, 000t @ 3.9% Zn (Appendix 3). The resource is made up of three blocks as detailed below:

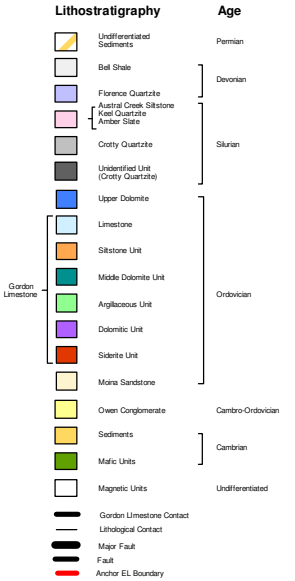
Table 1: Surficial Zinc Inferred Mineral Resource (Burrows 2005)

Block	**Tonnes**	**Zn (%)**
North	164 000	3.2
Central	65 000	1.1
South	180 000	5.6
Total	**409 000**	**3.9**

The above assumed a density of 1.9t/m^3 (i.e. the density of dry clay). This tonnage decreases to 337,000t using a value of1.4t/m^3, (i.e. the average wet or in-situ value of the Zinifex bulk sample pits).







Source information:
Geology extracted from Figure 13 of
Tear, S., 2002, Annual Report for EL 6/2001 (Professor Creek)
for the period 22nd June 2001 to 22nd June 2002 for
Tenure Holder: Noranda Pacific Pty Ltd.

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EL47/2004 Henty Road and EL8/2005 Amber Creek TAS Local Geology and Prospects

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7.2 Other Prospects

Other prospects within the lease are summarised in the table below.

Table 2: Prospects within EL47/2004

Prospect	Description	Intercepts (% Zn)
South Grieves	Middle zone of Gordon Limestone; <20m vertical depth	ZWG1 11.8m @ 6 ZWG22 0.8m @17.5 ZWG26 1.9m @ 7.3 ZWG26 1m @ 6.9
Myrtle	Middle zone of Gordon Limestone, associated with a dolomitization	ZM1008 3m @ 6.7 ZM1008 6m @ 4.3 ZWM18 7.1m @ 2.4 ZM185 0.6m@ 14.9
Baura	Upper dolomite unit	ZG402 2.5m @ 3
Firewood Siding	Upper dolomite unit	ZF37 10m @ 0.38
Rose Valley	Silicified carbonate breccia	defined by 14 wacker samples, with max of 242ppm Zn

8 WORK COMPLETED

8.1 Summary of Work Completed for the five year period ending 9th February 2011

8.1.1 2005-2006

A review of previous work in the licence area was completed, including compilation and review of existing geological and geophysical datasets. Sub-samples of bulk peat samples collected by Zinifex were submitted for mineralogical analysis (XRD and SEM) at the University of Ballarat.

8.1.2 2006 – 2007

SER determined a JORC-compliant Inferred Resource for the Grieves peat-hosted zinc of 330,000t @ 3.9% Zn (modified from Burrows, 2006) assuming a bulk density of 1.4t/m3.

Zinifex had an option to investigate the near-surface zinc. Zinifex completed bulk sampling from 5 excavator pits for metallurgical tests. Conventional mineral processes, including floatation and gravity separation, were unsuccessful and Zinifex did not seek to renew the agreement which expired in September, 2006.

Following the expiry of the option agreement, Icon commenced a series of unconventional processing trials. These are on-going but the results have been sufficiently encouraging to allow Icon to start a drilling program to expand and better define the resource.

8.1.3 2007-2008

Icon completed a 3D-IP survey over the Gordon Limestone sequence to identify potential sulphide-rich zones, not previously tested by drilling.

,000 mE | 360,000 mE | 362,000 mE | 364,000 mE | 366,000 mE | 368

5,352,000 mN

5,350,000 mN

5,348,000 mN

EL47/2004

Map Legend

- Diamond Drill Hole
- Auger/Excavator Sampling
- 3D IP Survey

ICON RESOURCES LTD

Date: 21/1/2008	**EL47/2004 Henty Road Exploration Index Plan**
Author: J. Capp	
Office: Hobart	
Drawing: Figure 4	
Scale: 1:25000	Projection: AMG Zone 55 (AGD 66)

0 250 500 1,000

metres

A two-part diamond drill program was completed. The first phase of 4 holes (IPD001 to IPD004A) targeted deeper primary zinc mineralization, potential mineralization in a possible "feeder zone" - the Grieves Fault and zinc hosted in the oxide clay zone at the base of the Gordon Limestone sequence. Only IPD002 returned significant zinc results up to 3.7% Zn.

The second phase of diamond drilling tested three chargeability anomalies identified in the 3D IP survey (IPD005 to IPD007). All holes intersected zones of fine disseminated pyrite, but with no associated significant zinc mineralization.

An excavator/auger sampling program of 52 pits was completed to extend and up-grade the peat-hosted zinc resource. Significant zinc results up to 28.6% and lead results up to 3.79%, were returned from the Grieves peat samples. This program extended the previously known zone of zinc peat mineralization to the north and widened the zone (east-west) in the area south of the Grieves Fault.

Extensive metallurgical test work of zinc-rich peat has been conducted by Kaolin Technology Pty Ltd and Ka Pty Ltd using bulk samples collected by Zinifex in 2006. In August, 2007 an agreement was signed with Rogers Chemical Engineering Pty Ltd whereby RCE would manage the ongoing test work.

8.1.4 2008-2009

Metallurgical test work of bulk peat samples, collected in 2007 and 2008, was continued in an effort to find a cost-effective process for zinc extraction. This work was conducted by Rogers Chemical Engineering and consultant Robert Groenward.

The various tests returned some encouraging results with respect to the percentage of zinc extracted, but in general the usage of re-agents and additives was too high to be economical.

8.1.5 2009-2010

Review of the Metallurgical testwork of bulk peat samples, collected in 2007 and 2008, was continued in an effort to find a cost-effective process for zinc extraction. The testwork was conducted by Rogers Chemical Engineering and consultant Robert Groenward.

The various tests returned some encouraging results with respect to the percentage of zinc extracted, but in general the usage of re-agents and additives was too high to be economical.

8.1.6 2010-2012

The main activity for this period was the ongoing review of the basement targets from the geophysics and investigation of additional metallurgical characterisation and extraction studies on the "zinc-in-peat" resources.

8.2 Work Completed for the period ending 9th February 2006

Work in the first year of the licence included:

- A review of existing geological and geophysical datasets;
- resource computations of the surficial peat-hosted zinc mineralisation;
- review of previous feasibility studies;
- and commencement of metallurgical studies.

The preliminary resource calculations by Burrows, 2005 are included in Appendix 1. Sub-samples of bulk peat samples (collected by Zinifex, see section 8.3.1) were submitted for mineralogical analysis (XRD and SEM) at the University of Ballarat.

XRD analysis revealed a "desiccated gel" material as the major component of the samples submitted. The "gel" hosts much of the sulphide phases present in the samples, particularly the sphalerite. Appendix 2 contains the metallurgical report prepared by Purvis, 2006.

8.3 Work Completed for the period ending 9th February 2007

8.3.1 Work completed by Zinifex

For the twelve month period ending September 2006 the lease was managed by Zinifex under an option agreement with SER. In January 2006, Zinifex commissioned Gerald Purvis of J.G. Purvis & Associates Pty Ltd to excavate five pits and sample the surficial peat-hosted zinc to investigate:

- the feasibility of recovering zinc from the peat in the flotation circuit at their nearby Rosebery mine; or
- the possibility of using on-site gravity separation to produce a sphalerite concentrate suitable for shipping directly to Zinifex's Risdon refinery.

The pit sites are listed in the table below.

Table 3: Zinifex pit sample locations (AGD66, GPS)

Pit #	Easting	Northing	Sampled depth
Pit 115	364729	5349634	2.6- 4m
Pit 170	364532	5349238	2-4m
Pit 181	364495	5349206	2-4m
Pit 264	364826	5349705	1.5-2.25m
Pit 368	364462	5349164	2-4m

From each pit a bulk sample comprising six 20-litre plastic pails of material (about 150kg) was taken from the selected depth interval, immediately sealed and dispatched for metallurgical testing. In addition, a 3-5kg representative assay sample was taken from each pit. Two-litre liquor samples were taken from three pits (Purvis, 2006).

Zinc recoveries in the Rosebery mill were unviable largely because of the very different style of mineralogy (eg, the high organic content). The gravity separation tests also failed to separate the sphalerite much of which is very fine grained.

It was concluded that while the feasibility of economically recovering zinc from the peat couldn't be ruled out, the testing demonstrated that it was not possible using conventional flotation or gravity separation and "it cannot be treated in any existing Zinifex infrastructure" (Purvis, 2006).

The full report describing the test work, prepared by J.G. Purvis & Associates Pty Ltd is included in Appendix 3.

8.3.2 Work completed by Icon Resources Ltd

8.3.2.1 Data Compilation

Digital drilling data for the lease was acquired from various sources and compiled into a central MS Access database. The compilation and validation of the data has focused on the Grieves area. It is ongoing and includes:

- Capture of additional data from existing drill logs such as peat occurrences, alteration, structural measurements and recoveries to enhance the existing digital dataset;
- Validation of drill hole locations; and
- 3D modelling of interpreted faults, contacts and units within the Grieves prospect.

A report on the data compilation work completed included in Appendix 5.

The data from the CRA Zeehan Area6 helimagnetic survey was acquired from Mineral Resources Tasmania and re-processed.

8.3.2.2 Resource Investigations

AMC Consultants Pty Ltd was commissioned to review the defined resources and drilling at Grieves to recommend work required:

- To upgrade the surficial zinc resource from Inferred to Indicated.
- To convert the deeper oxide mineralisation to an Inferred resource.

The report prepared by AMC is included in Appendix 5.

8.3.2.3 Rock Chip Sampling and Metallurgical Test Work

Four rock chip samples of peat were collected from a road cutting, where the Henty Road passes over the Professor Range. No anomalous zinc results were returned.

Significant metallurgical test work by consultants Ka Pty Ltd and Kaotech Pty Ltd to determine an optimal mineral processing method for the peat-hosted sphalerite is in progress.

Test work was completed on the samples collected from the pits by Zinifex. A flow sheet of a proposed processing method is being prepared.

Rockchip and pit sample location and results are included in Appendices 6 and 7.

8.3.2.4 Re-logging and Sampling of Drill Core

Re-logging of selected diamond drill holes from the Grieves prospect was completed at Mineral Resources Tasmania's core storage facility.

The aim of the re-logging was:

- to become familiar with the geology at Grieves;
- aid in the interpretation of existing drill logs; and
- look for evidence of primary sulphide mineralisation.

Re-logging of ZG1007 showed that this hole did not reach the planned target of the Moina Sandstone.

8.4 Work Completed for the period ending 9th February 2008

8.4.1 Excavator/Auger Sampling

A peat-sampling program was conducted in February and March 2007. The program had a number of aims:

- To extend and up-grade the peat-hosted zinc resource
- Provide bulk samples for metallurgical test work.

To conduct the sampling, and penetrate the Moina quartzite colluvium cover, a 20 tonne excavator with a 16m boom was trialled, but this proved inadequate for costeans that were dug to reach the base of the peat. The program was completed with two 20 tonne excavators: one to remove the Moina gravel cover and one with a PD-12 auger system with a depth capacity of 9m.

A total of 52 auger pits were completed out of a planned 60. In eight locations the auger finished at the 9 metre depth capacity and was still coring black peat. In another dozen locations typically at the break of slope along Moina quartzite contact, no samples were collected due to excessive water in the hole.

Bulk 30-40kg samples were collected at 1m intervals in large plastic RC bags and transported to a storage facility in Zeehan. The samples were allowed to dry, before being spear sampled and sent for multi-element ICP analysis by ALS Brisbane. Samples with anomalous zinc results were later analysed for gold.

It was proposed to collect samples from each pit for bulk density determinations, but the samples were “disturbed” by the auger sample process. Only 6 bulk density samples were collected and submitted for Dry and Wet Density and for Moisture Content.

Figure 5 shows the auger site locations, and Appendix 6 contains location details and assay results.

Significant zinc results up to 28.6% and lead results up to 3.79%, were returned from the Grieves peat samples. The best result was from pit IPP011 between 1-4m, in the central zone, south of the Grieves Fault, with 3m @ 19.65% Zn, including 1m @ 28.6% Zn, and 2m @ 3.33% Pb.

The pit samples have extended the previously known zone of zinc peat mineralization in two areas:

- Extended the zone to north and,
- Widened the zone (east-west) in the area south of the Grieves Fault.

Out of a total of 52 pits, 19 pits returned results >1% Zn and 14 pits returned results >2.5% Zn. The pits were sampled at 1m intervals and these results are from depths of up to 8m, with most intercepts being from 0-4m deep.

Intercepts above 2m in width, listed from north to south are summarized below and shown on Figure 6.

Pit	Depth	Zn%	Location Desc
IPP039	5-8m	3m @ 4.13	northern extent of peat zone
IPP047	4-8m	4m @ 3.89	just north of Grieves Fault
IPP045	6-9m	3m @ 2.43	as above
IPP033	0-3m	3m @ 5.71	central zone, south of Grieves Fault
IPP032	0-4m	14m @ 13.69 incl 2m @ 1.14% Pb	as above
IPP025	1-3m	2m @ 5.05	as above
IPP010	1-4m	3m @ 10.06	as above
IPP011	1-4m	3m @ 19.65 incl, 2m @ 3.33% Pb	as above

8.4.2 3D-IP Survey

Exploration for primary mineralisation included a 3D induced polarization survey covering the Gordon Limestone sequence to the west and north of the known mineralisation at Grieves Siding, including the Grieves South and Baura prospects.

The survey was conducted by SJ Geophysics Ltd, in April 2007. The total area surveyed was approximately 2.4km by 3.2km along 17 lines oriented east-west, as shown in Figure 4. The central portion of the grid was extended to cover an additional area of 0.8km by 2.5km.

The initial 9 transmitter lines were approximately 2400m long with station spacing of 100m. The 8 receiver lines were 1600m with 100m stations. Lines 47600N and 47800N were shortened by 1000m due to a narrowing of the target rock unit. At the end of the survey, lines 9200N to 8400N were extended to the west by 2000-3000m. The grid was put in by chain and compass concurrent with the IP surveying. Due to the last minute nature of the survey, line cutting was minimal, and thus some lines were deliberately skewed to avoid sections of extremely dense scrub. GPS and clinometer data was recorded for all stations.

Figure 7 shows the results of the survey at a depth of 50m below the surface topography. Appendix 8 contains the SJ Geophysics logistics report and the 3D data files in included in appendix 9.

The 3D IP survey defined a number of +35msec chargeable zones, not previously tested by drilling. These zones can represent either sulphide mineralisation and/or carbonaceous-rich sediments.

The chargeability anomalies occur to the north of the Grieves prospect, at Grieves South and to the west of the Grieves prospect. The anomalies to the north and west of Grieves could represent extensions to the zinc mineralisation not previously detected by surface sampling. The chargeability anomaly at Grieves South was not intersected by previous drill holes.

8.4.3 Diamond Drilling

Two diamond drill programs were completed, using OME drilling contractors. The initial program of 4 holes totalled 722m. The first hole, (IPD001) was designed to test the basal contact mineralisation at depth, targeting primary sphalerite ore. Holes

IPD002-004 tested infill areas of zinc 'oxide' mineralisation near the Grieves Fault and the Fault itself.

The second program of 3 vertical holes (IPD005-007) for 884m, were drilled to test discrete chargeability anomalies (+35msecs) defined by the 3D IP survey (Figure 7).

Samples were collected from logged altered and mineralised zones, and submitted to ALS Brisbane for multi-element ICP analysis. Samples with anomalous zinc results were later analysed for gold.

Drill hole locations are shown in Figure 7, and collars, down-hole surveys, assays and geological logs are included in appendix 10. Logging codes are included in appendix 11.

All diamond holes intersected extensive zones of solution-cavities filled with fine sand and re-worked peat and limestone fragments at depth. Hole drilled close to the basal contact with the Moina Quartzite intersected the zinc-mineralised oxidised clay-rich zone, just above the contact. A summary of each hole is given below.

- **IPD001**

Target: IPD 001 targeted the basal horizon of the Gordon Limestone, beneath ZG 416 which is the deepest existing drill hole that registers significant zinc. The aim was to test for primary sulphide mineralisation approximately 150m down dip of the existing oxide resource in attempt to locate the un-oxidised 'source' of the mineralisation.

Results: Drilling of the holes was hampered by difficult ground conditions including voids up to 3m wide.

The hole was terminated in Moina Sandstone at 314.95m. Within the basal zone of interest, sulphide as pyrite was noted in a singular 10mm wide breccia band where it occurred as discrete, slightly milled clasts <1mm and allocthonous in nature. Sulphide was also noted as very finely crystalline pyrite in dark grey to black, incompetent, soft limy mud. An epigenetic alteration zone was noted that exhibited boxwork structure, it being resistant in nature with an unidentified mineral leached out and forming a mesh like texture.

Assays returned only weak zinc-oxide mineralisation intersected about 150m down-dip from the previous deepest intersection.

- **IPD002**

Target: Infill hole drilled into the zinc-oxide zone in the 100m gap between the Grieves Fault and the next fence of diamonds holes to the north.

Result: The observed lithologies mimic those found immediately to the north on Section 48225N and some minor sulphide as pyrite was observed. The best results of 1.5-3.67% zinc were returned from the carbonaceous clay horizon intersected between 75.5 and 81m.

- **IPD003**

Target: test the idea that the Grieves Fault was a conduit for mineralisation – the spatial relationship of faults and mineralisation being a recognised feature of Irish Style deposits. The hole was collared on the north side of the Grieves Fault.

Results: The intersected the fault between 57m and 144m (EOH) and was stopped before the Gordon Limestone-Moina Sandstone contact due to ground conditions and the poor quality of core obtained.

The Grieves Fault Zone was characterised by breccia (poorly sorted, angular, clast supported, monomictic and comprised predominantly of mid to dark grey lime mudstone and lesser calcite vein material with a soft sand matrix.

Numerous sand-filled voids occur against more competent lime mudstone wall rocks that give core scale unconformity surfaces that are curvilinear- consistent with solution cavities. These karst solution cavities are variable in width. The sand matrix in the breccia and voids is not considered in-situ, so no samples were taken below 57m.

Samples collected above the fault zone, from lime mudstone with calcite veins, did not return any anomalous results.

- **IPD004/IPD004A**

Target: test the idea that the Grieves Fault was a conduit for mineralisation – the spatial relationship of faults and mineralisation being a recognised feature of Irish Style deposits. The hole was collared in the hanging wall with the secondary aim of coring beyond the fault and into the basal lithologies of the Gordon Limestone. The intended depth of the hole was to be in the shallow to moderate range.

At 40m the rods were pulled for a bit change and as the hole was re-entered the bit 'cut a lip' in one of the innumerable voids and a new hole was commenced at 19m.

Results: The hole cut the Grieves Fault and intersected large intervals of monomictic fault breccia in a clay matrix with good recoveries. The mineralised carbonaceous-clay horizon at the base of the limestone sequence was intersected between 156-158m. The hole was stopped just short of the Moina Sandstone contact due to excessive water and the rods becoming repeatedly bogged.

The hole was partially sampled, and no anomalous zinc results were returned. It has been noted that the carbonaceous-clay horizon was not sampled, and this is currently in progress.

- **IPD005, IPD006 & IPD007**

Target: These holes were drilled to test three IP chargeability targets peripheral to previously defined zinc mineralisation. IPD005 was drilled to north of existing Grieves diamond holes and near the Moina Sandstone contact. Holes IPD006 and IPD007 were drilled to the west of Grieves, near and just south of the Henty Road.

Results: IPD005 intersected minor zinc-bearing siderite alteration and clay pug adjacent to the basal contact, with the IP response interpreted to relate to fine disseminated pyrite within the host carbonates. This zone returned slightly elevated zinc results between 0.1 and 0.5% from 356 to 374m

Holes IPD006 and IPD007 interested bioturbated lime mudstones in the upper part of the Gordon Limestone sequence, with zones of 0.5 to 12.5% pyrite. Samples did not return any significant zinc anomalism.

8.4.4 Metallurgical Test Work

Extensive metallurgical test work of zinc-rich peat has been conducted by Kaolin Technology Pty Ltd and Ka Pty Ltd using the bulk samples collected by Zinifex in 2006 to see if a marketable concentrate can be profitable produced.

Results have been sufficiently encouraging that in August 2007, a contract was signed with Rogers Chemical Engineering Pty Ltd to manage the ongoing testwork and, if successful, develop a pilot plant.

The results to date can best be described as sufficiently encouraging to demand that further work be done but not yet sufficiently definitive that Icon should move to the pilot plant phase.

So far, work has concentrated on the sphalerite in the near-surface peaty clays. Regardless of the outcome of this work, the tests will be expanded in 2008 to include the underlying zinc oxides, to determine a profitable treatment process of this higher-grade and more voluminous resource.

8.5 Work Completed for the period ending 9th February 2009

8.5.1 Metallurgical Testwork – Rogers Chemical Engineering Pty Ltd

Rogers Chemical Engineering Pty Ltd (RCE), namely Frank Rogers and Dr. Neil Allen, was contracted to determine if the zinc-in-peat could be economically extracted, and if so to proceed to the construction of a pilot plant. RCE completed various metallurgical tests using bulk 30-40kg samples that were collected from the peat horizon at Grieves prospect in early 2007.

The tests used a wide range of acid levels, time periods, and temperature and were completed under both static and agitated conditions.

The main conclusions from a report completed in November 2007 (Appendix 12) are summarised below:

- High variances in the percentage of recovered zinc;
- Zinc is dissolving and re-forming other silica-based complexes; and
- A high consumption of acid.

Test work continued in January 2008 to see if by controlling the pH it was possible to

- to minimise the consumption of acid; and
- promote silica into solution and remove it.

Minimal amounts of sulphuric acid were used to achieve a pH of 2 required to keep any soluble silicon in solution. These tests indicated an approximate 15% loss of zinc with the silicon removal.

Test notes and reports by RCE and Dr Allen are included in appendix 13.

8.5.2 Metallurgical Testwork – Robert Groenewoud

Between late 2007 and March 2008, Robert Groenewoud was contracted to conduct further tests to replicate those by RCE and to determine zinc extraction rates at various acid concentrations. These tests were designed to determine the following:

- Will leaching at 90oC and 20g/L acid result in a high zinc recovery in a reasonable time?
- Will the recovery of acid by pre-leaching the ore with ion exchange bleed result in excessive zinc loss, or create a high recirculating load of aluminium or silica?
- Is the ion exchange specific for zinc without passing elements, which affect the efficiency of electrolysis, or which affect the quality of the zinc?

Three tests were completed on Test#95 by RCE (details of the original test are including in appendix 13):

Test 1: Repeat test #95
Test 2: As per test 1, without stage1 and the wash stage
Test 3: As per test 2, but at 60oC

The purpose of Tests 1 and 2 were to determine if stage 1 and the wash stage in the RCE tests are necessary to achieve the high zinc recovery. Tests 2 and 3 were designed to determine if the same extraction can be obtained at a higher temperature, but in a much shorter time. All tests were to include analysis for Zn, Fe, Mg, Al, Ca, Pb, Mn and SO4.

The tests were completed by Analytical Service Tasmania and the report is included in appendix 14.

The results from test 3 indicate that the extractions of Al, Fe, and Mg were similar to those in test 2. The extraction of zinc was approx 60% based on both the solution and solids analysis which is a considerable improvement on the extraction of zinc in test 2. Acid usage was 429kg/tonne ore.

Notes and communication from Robert Groenewoud is included in appendix 15.

8.6 Work Completed for the period ending 9th February 2010

Work within this period involved desktop studies including:

- Further review of previously completed 3D Induced Polarisation geophysical data and geological interpretation, in preparation for field investigation of a number of defined targets.
- Review of metallurgical process testwork completed to date on near-surface “zinc-in-peat” mineralisation
- Ongoing negotiations with a number of groups to further evaluate the potential for significant “Irish-style” zinc lead-deposits within the licence and adjacent EL8 / 2005

8.7 Work Completed for the period ending 9th February 2012

Work within this period involved the on-going desktop studies as reported in the previous twelve month period. A project overview summary was compiled at this time is included as Appendix 16.

9 CONCLUSIONS

Carbine Tungsten considers that although the licence has expired there are a number of defined targets are still to be investigated. Further experimental metallurgical testwork may resolve commercially viable options for the extraction of zinc from the surficial mineralised peat deposits.

10 ENVIRONMENTAL

Final rehabilitation of the auger peat sites and two drill holes sites is in progress. A separate and final rehabilitation report will be submitted on completion of this work.

11 EXPENDITURE STATEMENT

Total expenditure on EL 47/2004 for final year of the licence ending 9 February 2012 is $6,238.

A breakdown of the expenditure is given below:

	$
Geological	5, 671
Administration (10%)	567
Total	**$6,238**

12 REFERENCES

Burrows, T. 2006. Estimate of Work Required to Upgrade Resources: Grieves Prospect. Report by AMC Consultants for Icon Resources Ltd.

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Purvis, J.G. 2006. Sampling and Metallurgical Testing of Surficial Zinc Clays, Grieves, EL47/2004, Western Tasmania, J.G. Purvis & Associates Pty Ltd.

Russell, S.A.J., Tear, S.J. 1996. Annual Report P.E. November 1996 - EL 34/88 - Zeehan No. 2.

364,000 mE

364,500 mE

365,000 mE

5,349,500 mN

Map Legend

PIT

Drill Hole

IPP042 IPP041 IPP040 IPP038 IPP037 IPP036 IPP035 IPP039 IPP053 IPP052 IPP050 IPP051 IPP048 IPP049 IPP047 IPP045 IPP046 IPP044 IPP043 IPP028 IPP029 IPP030 IPP031 IPP034 IPP033 IPP032 IPP002 IPP027 IPP026 IPP003 IPP004 IPP006 IPP025 IPP024 IPP001 IPP008 IPP009 IPP010 IPP005 IPP011 IPP012 IPP022 IPP023 IPP017 IPP016 IPP013 IPP014 IPP015 IPP018 IPP021 IPP020

ICON RESOURCES LTD

Date:21/1/2008	**EL47/2004 Henty Road Pit/Auger Location Plan**
J. Capp	
Hobart	
Figure 5	

Scale: 1:25000 1:2500 Projection: AMG Zone 55 (AGD 66)

0 25 50 100 1,000

metres

364,500 mE

364,750 mE

5,349,750 mN

5,349,500 mN

5,349,250 mN

5,349,000 mN

IPP039
4.2% 5-6m
3.77% 6-7m
4.42% 7-8m

Current Surfical Zinc Outline

IPP051
3.96% 3-4m

IPP048
2.86% 1-2m

IPP047
3.77% 4-5m
3.74% 5-6m
4.31% 6-7m
4.1% 7-8m

Moina Quartzite

IPP009
2.53% 1-2m

IPP010
6.37% 1-2m
10.75% 2-3m
13.05% 3-4m

IPP011
9.24% 1-2m
21.1% (3.79% Pb) 2-3m
28.6% (2.86% Pb) 3-4m

IPP029
3.13% 7-8m

IPP033
8.67% 0-1m
3.7% 1-2m
4.7% 2-3m

Oglz

IPP003
2.9% 2-3m
3.94% 7-8m

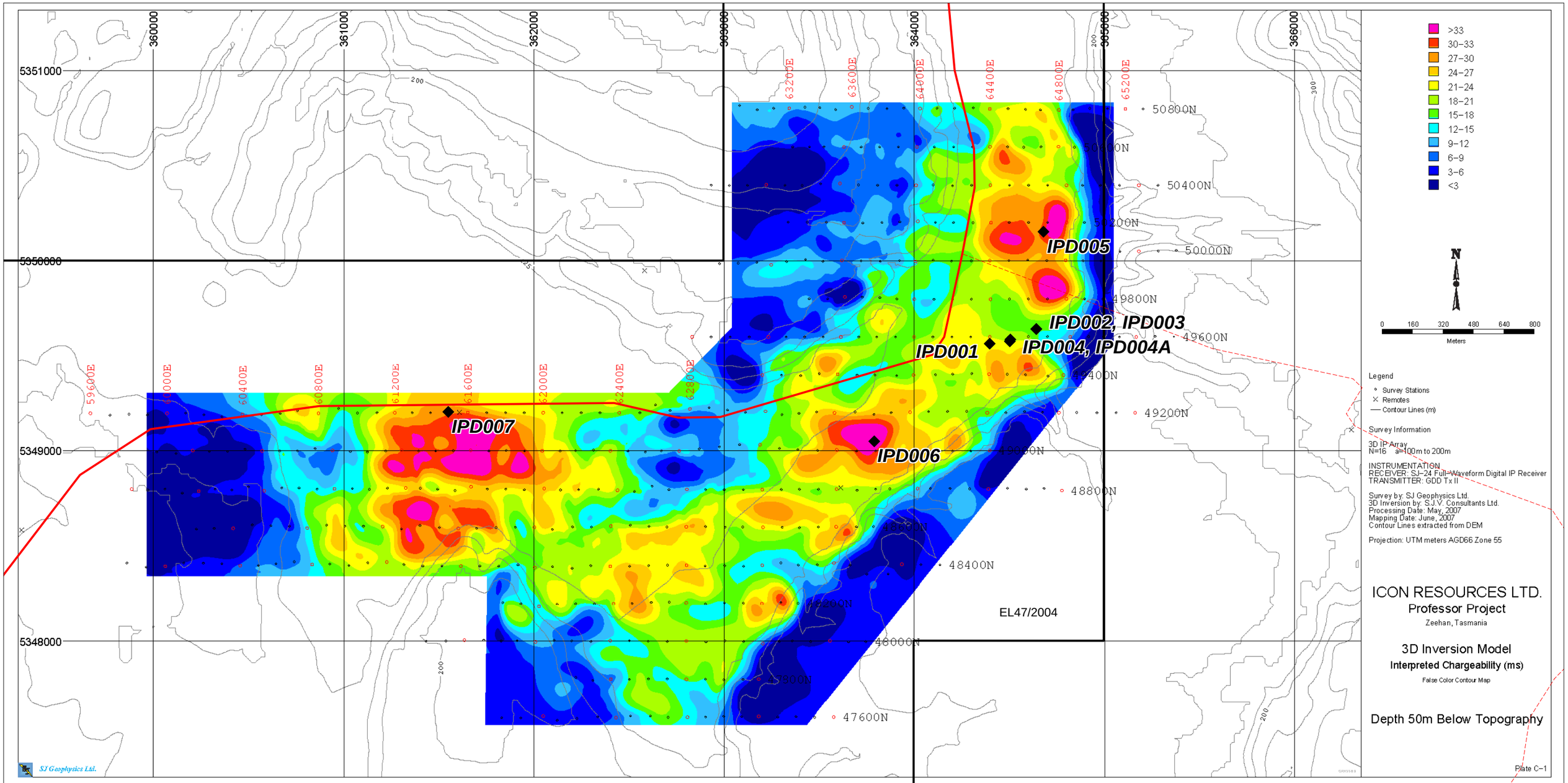
IPP004
5.14% 1-2m

IPP032
4m @ 13.69% (incl 2m @ 1.14% Pb) from 0m
14.2% 5-6m

IPP025
5.76% 1-2m
4.34% 2-3m

IPP019
4.02% 0-1m

Moina Quartzite



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Date:21/1/2008

Author: J. Capp

Hobart

Drawing: Figure 6

EL47/2004 Henty Road
Drill Hole Locations
with 50m slice IP Survey Results

Scale: 1:20000 Projection: AMG Zone 55 (AGD 66)

0 250 500 1,000

metres