



## **CARBINE RESOURCES LIMITED**

ASX / MEDIA ANNOUNCEMENT

15 July 2014

### **Carbine Awards Mount Morgan Scoping Study Tender to Ausenco**

**Carbine Resources Limited (ASX: CRB)** is pleased to announce that Ausenco Services Pty Ltd, the globally recognised mine design and development group, has been awarded the Scoping Study for the Mount Morgan Gold & Copper Project.

The award comes after management review of seven competitive tenders for the scope of works. The Study itself is anticipated to be completed by Q4 2014.

The Scoping Study will build on Carbine's successful initial testwork (ASX: 18 June 2014), which demonstrated its proposed flowsheet can:

- achieve an 80% reduction in cyanide consumption compared with baseline testing;
- improve gold recoveries through elimination of copper in gold leaching circuit; and
- provide additional revenue streams via production of both copper and high grade pyrite.

The Study seeks to confirm the technical and economic viability of restarting tailings reprocessing at the historic Mount Morgan mine to recover remaining gold, copper and pyrite resources. This follows on from successful tailings processing operations at the mine from 1980 to 1991 via operation of a 3Mtpa gold carbon-in-pulp facility.

Ausenco will provide an independent evaluation of the project, including development of capital and operating costs, equipment lists, process flowsheets to an accuracy of +/- 30-35%. They will also seek to optimise a number of facets of the tailings development project, including:

- annual production levels of gold, copper and high grade pyrite;
- tailings storage facility design; and
- plant location and layout.

The results of the Scoping Study will be used to expedite the completion of a Bankable Feasibility Study for the Project.

Ausenco is a diversified engineering and project management company providing services to the global resource and energy sectors. The company has built a reputation for delivering new and better ways to add value to client's projects in some of the world's most challenging environments. Ausenco also provide significant experience in fast tracking projects through feasibility and project financing into cash flow producing operations.

**For further information, please contact:**

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### Project Overview

The historic Mount Morgan Mine is 38km from Rockhampton on the central Queensland coast (see Figure 1). The Mine is covered by 30 mining leases over 677.5 hectares.

During its operational life, the Mount Morgan Mine produced 8.4Moz of gold, 400,000t of copper and 1.2Moz of silver from the mining and processing of approximately 50Mt of ore.

Mining operations at Mount Morgan were discontinued in 1980 after nearly 100 years of activity.

Today, the mining leases contain a large tailings resource with significant metal credits, as shown in Figure 2 and overleaf.



Figure 1: Mount Morgan Mine location



Figure 2: Site overview of the Mount Morgan Mine



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<b>JORC Resources <sup>[1]</sup></b> <b>(Tailings)</b>	<b>Tonnes</b> <b>(000s)</b>	<b>Au</b> <b>(g/t)</b>	<b>Cu</b> <b>(%)</b>	<b>Au</b> <b>(oz)</b>	<b>Cu</b> <b>(t)</b>
Indicated	2,487	1.59	0.16	127,000	3,900
Inferred	5,861	1.07	0.14	202,000	8,400
<b>TOTAL JORC</b>	<b>8,348</b>	<b>1.23</b>	<b>0.15</b>	<b>329,000</b>	<b>12,300</b>
<b>Exploration Targets <sup>[2]</sup></b>					
Dumps & Slags					
(low range)	3,600	1.13	0.28	131,000	10,000
(high range)	8,500	1.30	0.52	355,000	44,000
Open Pit Tails					
(low range)	25,300	0.52	0.09	423,000	23,000
(high range)	28,000	0.54	0.09	486,000	25,000
<b>TOTAL EXP. TARGET</b>					
(low range)	<b>28,900</b>	<b>0.60</b>	<b>0.11</b>	<b>554,000</b>	<b>33,000</b>
(high range)	<b>36,500</b>	<b>0.72</b>	<b>0.19</b>	<b>841,000</b>	<b>69,000</b>

Note: Rounding errors occur

## <sup>[1]</sup> Mineral Resources

The Indicated and Inferred Resources referred to above were presented by Norton Gold Fields Limited at the Mining 2009 Resource Convention (Brisbane). The presentation was released to the ASX on 28 October 2009 and is available for viewing on the Norton Gold Fields website ([www.nortongoldfields.com.au](http://www.nortongoldfields.com.au)). The resources were stated to have been prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Competent Person Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd.

Carbine is not aware of any new information or data that materially affects the information included in the Norton market release of 28 October 2009, and confirms that material assumptions and technical parameters underpinning the resource estimates in the relevant market announcement continue to apply and have not materially changed. Current gold prices are well above those prevailing in 2008-2009. 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 market announcement.

## <sup>[2]</sup> Exploration Targets

Carbine has identified a number of Exploration Targets at the site comprising low grade mullock dumps, slag dumps and retreated tailings from previous operations. In the Table above a range of approximate tonnage and grade has been compiled from extensive review of historic reports and studies by previous owners. Carbine has not yet completed any exploration activity on the Exploration Targets. The potential quantity and grade of the Exploration Targets is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The basis for the approximate estimates of tonnage and grade include historic production records, various topographic and volume surveys, drilling by various methods, grab and channel sampling and small scale bulk sampling.

Carbine proposes to further evaluate the Exploration Targets during the next year by drilling and possible bulk testing to provide material for additional metallurgical test work and to verify tonnage and grade.



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### **Competent Person Statement:**

*The information in this report that relates to Exploration Targets is based on information compiled by Lance Govey, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Lance Govey is an independent geological consultant and has no association with Carbine Resources Limited other than being engaged for services in relation to the preparation of parts of this report. Lance Govey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Lance Govey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*