



Quarterly Report to 31 December 2022

Highlights

- ◆ **First Mining Licence Application submitted for the Muchea West Silica Sand Project**
- ◆ **Scoping Study nearing completion**
- ◆ **Environmental Surveys completed**
- ◆ **Drilling approved for MLA**

Carbine Resources Limited (ASX: CRB) (the **Company** or **Carbine**) is pleased to provide shareholders with the quarterly activities and cash flow report for the three-month period ended 31 December 2022.

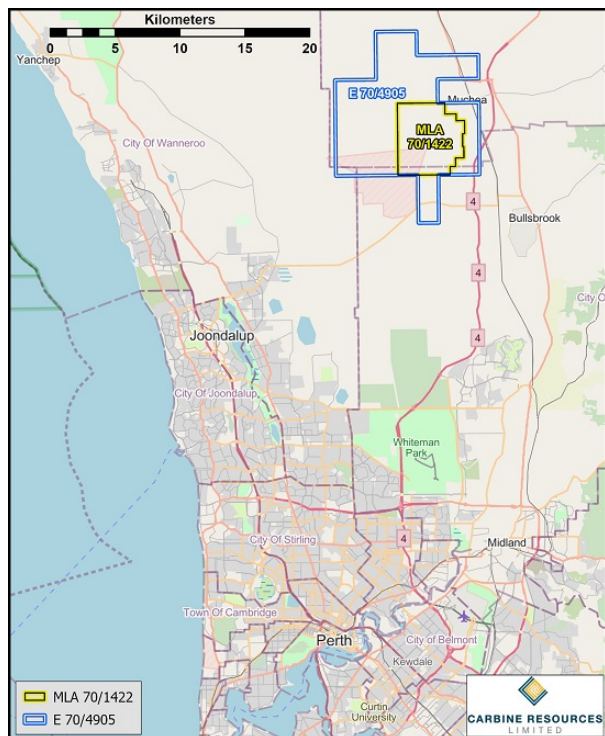
Muchea West Silica Sand Project

The Muchea West Project, acquired by Carbine in July 2021, is located approximately 40km north-northeast of Perth and approximately 500m to the west of Muchea. Covering a land area of 102km², the Project consists of a granted exploration licence, E70/4905, and a Mining Licence Application, MLA70/1422.

There is excellent access with the Tonkin Highway and the Moora-Kwinana Railway providing a direct connection with the Kwinana Bulk Terminal.

The Muchea West Project is host to an Indicated Resource of 40Mt at 99.73% SiO₂ and Inferred Resource of 53Mt at 99.70% SiO₂ for an initial resource of 93Mt at 99.71% SiO₂¹, located in the northern portion of the Muchea West Bassendean Sands dune system.

Figure 1: Muchea West Project located just 40km north-northeast of Perth



¹ Carbine Resources Ltd, ASX Release, 4 July 2022 "Maiden Muchea West Silica Sand Resource"

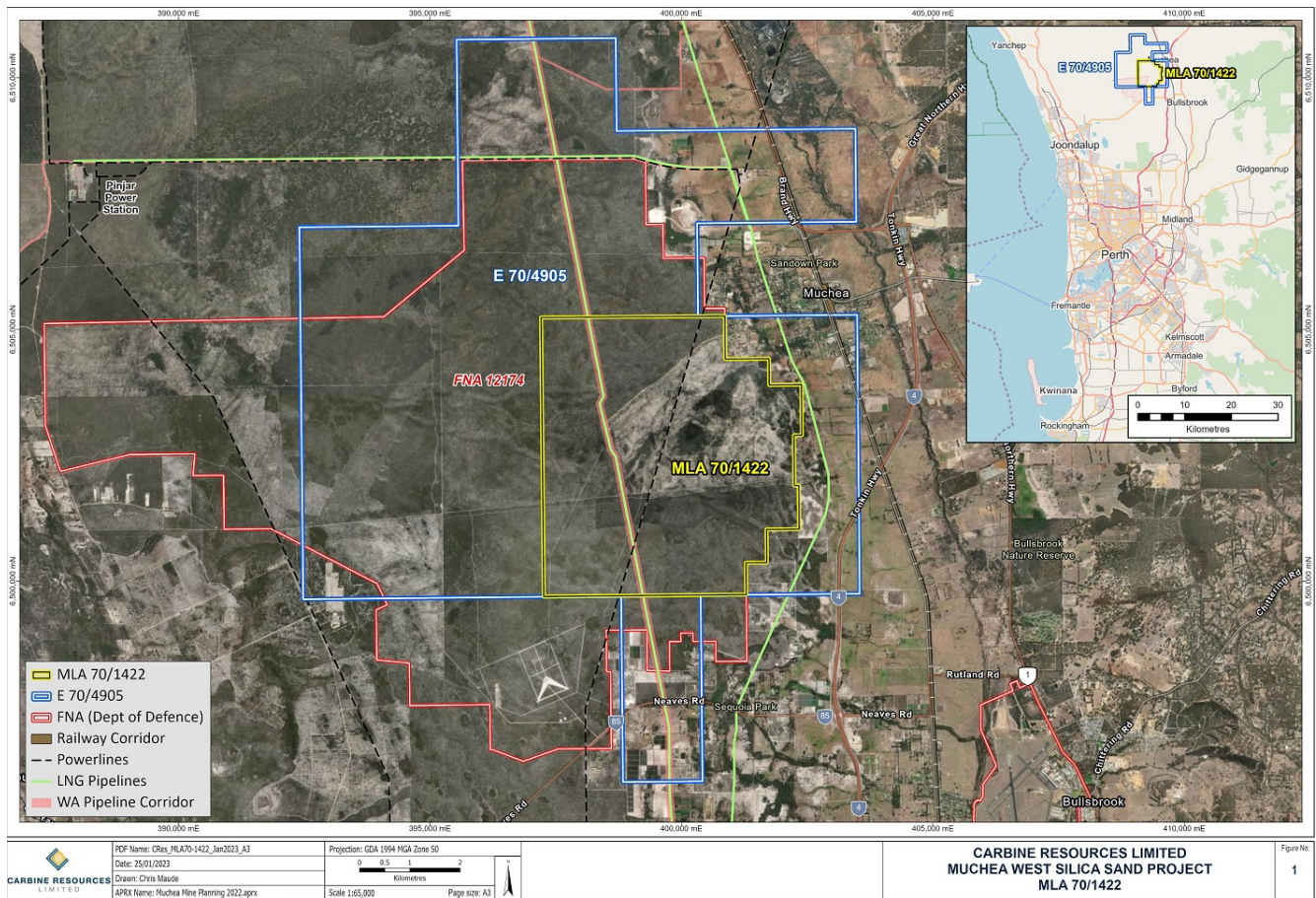


Figure 2: Muccha West Project with MLA70/1422

Mining Licence Application

The South East Area of Interest at the deposit was the focus for the Scoping Study to convert it to the initial mining application. A Mining Licence Application has now been submitted to the Department of Mining Industry, Regulations and Safety (**DMIRS**).

MLA70/1422, which was lodged with DMIRS on 19 December 2022, is for silica sand and is located in the southeast portion of the Company's Exploration Licence, E70/4905, located 43 kilometres north of Perth to the west of the town of Muccha. The MLA has an area of 2556 Ha and is entirely on Crown Land (Figure 2).

MLA70/1422 encapsulates the south eastern area of interest, as previously announced, and includes 44Mt of the Company's JORC Resource, equating to 47% of the current Resource for E70/4905.

Carbine has completed a considerable amount of the environmental studies required to satisfy the conditions of a Mining Permit which shall be lodged as soon as possible and is expected to take a minimum of 2 years to be granted.



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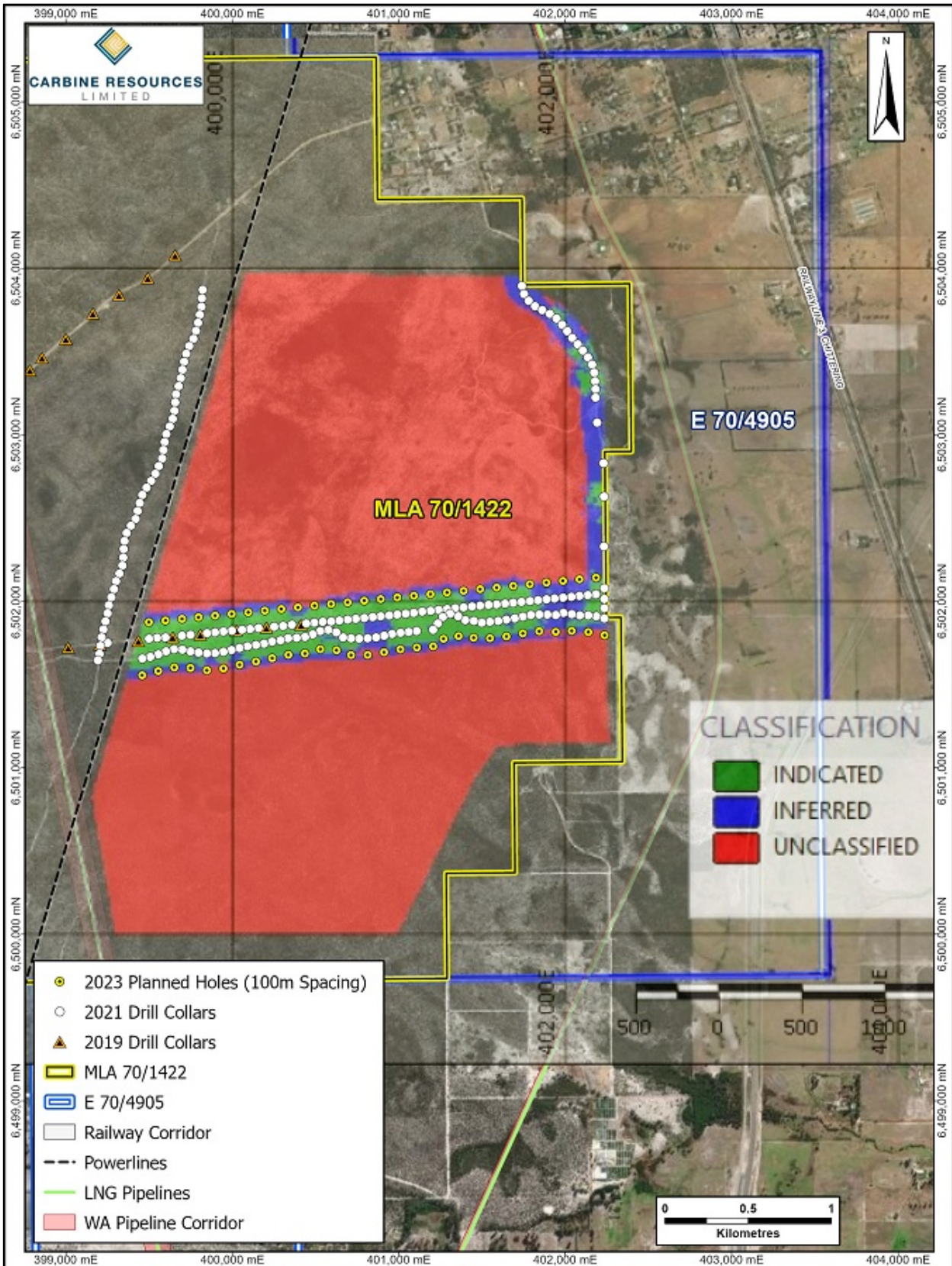


Figure 3: South East Area Sand Resource Classification



Table 1: Indicated and Inferred Resource within MLA70/1422

	SiO ₂ Cutoff	Volume	Tonnes	Density	SiO ₂	Al ₂ O ₃	Fe ₂ O ₃	K ₂ O	TiO ₂	LOI
Classification	%	million m ³	million	t/m ³	%	%	%	%	%	%
Indicated	99.00	13.70	21.10	1.54	99.75	0.022	0.026	0.003	0.049	0.136
Inferred	99.00	14.89	22.94	1.54	99.73	0.025	0.026	0.003	0.050	0.153
Total	99.00	28.60	44.04	1.54	99.74	0.024	0.026	0.003	0.049	0.145

Note: Mineral Resources are reported only from within the CRB nominated MLA and form a subset of the total Muehea West Project Mineral Resources as reported to the ASX on 4 July 2022. Differences may occur due to rounding.

Scoping Study Progress

Originally expected to be completed in Q3 2022, the Scoping Study timeline was postponed due to the delay in the return of assay results from the process testwork.

The Study, targeting a 2Mtpa mining and beneficiation plant with a mine life at 20 years, with a conceptual mining model and costs estimates completed by Orelogy Mine Consulting, and the process design and cost estimates undertaken by Como Engineers.

The Study is near finalisation with final considerations regarding logistical options, including transport and export, being investigated prior to completion.

Safety

No accidents nor incidents were reported from work conducted on E70/4905 for the December Quarter by Carbine staff and contractors,

Ongoing Work

The Company will undertake additional drilling in Q1 2023 which is expected to further expand the Resource (within MLA70/1422) and will form the basis of the proposed Feasibility Study.

The samples from this drilling will constitute the bulk sample used as the feed for a Feasibility Study that is expected to commence following the completion of the assaying of the drill program samples.

The initial fauna studies and the spring botanical study have been completed and final reports are expected in Q1 2023.

The preliminary hydrological study for the South East Area of Interest was completed.

Engagement with the Federal Government in relation to the Mining Licence Application for the South East Area of Interest is underway.

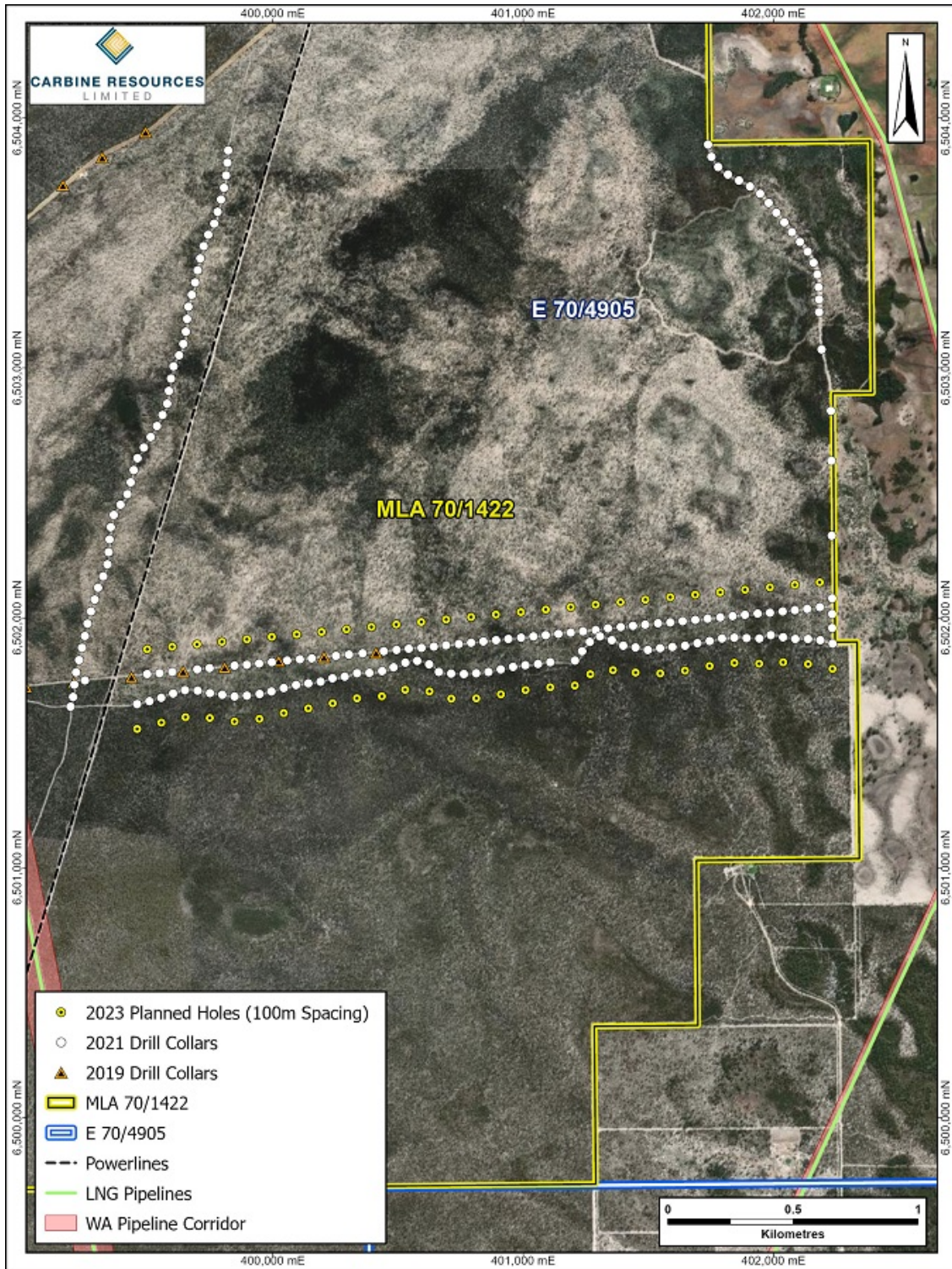


Figure 4: MLA70/1422 – resource extension drill planned collars





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Corporate

As announced on October 3 2022, Peter Main resigned from the Board. Oonagh Malone has accepted a non-executive board position and will also continue as Company Secretary.

This announcement has been authorised for release by the Board of Carbine Resources Ltd.

For further information, please contact:

Peter Batten
Managing Director
+61 (8) 6142 0986

COMPETENT PERSON'S STATEMENT

The mineral resource estimate in this announcement was reported by the Company in accordance with listing rule 5.8 on 4 July 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.





Appendix 1: Carbine's Tenement Interests

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2022.

Project	Tenement Number	Status	Ownership
Muchea West Silica Sands Project	E70/4905	Live	100%
Muchea West Silica Sands Project	MLA70/1422	Pending	100%

A Mining Licence Application, MLA70/1422, was submitted to the Department of Mining Industry, Regulations and Safety on 19 December 2022. MLA70/1422 is entirely within E70/4905.

No other tenement interests were acquired or disposed of during the quarter.

Appendix 2: Exploration Expenditure & Related Party Payments

In line with its obligations under ASX Listing Rules 5.3.1 and 5.3.5, Carbine Resources Limited notes the following in relation to the period ended 31 December 2022 as advised in the Appendix 5B:

- expenditure incurred on exploration and evaluation during the quarter related primarily to surveys and scoping study works; and
- payments to related parties of the Company pertain to fees payable to the managing director, non-executive directors and company secretary, and accounting, bookkeeping and administration services provided to the Company on commercial arm's length terms.





Appendix 3: Variance to Use of Funds Statement

The following information is provided pursuant to Listing Rule 5.3.4 with respect to its Use of Funds Statement set out in its Prospectus dated 28 April 2021 and its actual expenditure since ASX recompliance on 22 July 2021.

Expenditure Item	Use of Funds for 2 years	Actual Expenditure	Variance from use of funds statement	Notes
	To 22 July 2023	(22 July 2021 to 31 Dec 2022)		
Opening cash	\$3,241,000	\$3,241,000	-	
Proceeds from Public Offer	\$3,000,000	\$2,620,000	\$380,000	1
Total	\$6,241,000	\$5,861,000	\$380,000	
Exploration expenditure	\$3,200,000	\$1,130,000	\$2,070,000	2
Proposed cash payment	\$500,000	\$500,000	-	
Corporate costs (including Directors' fees)	\$1,500,000	\$1,080,000	\$420,000	3
Working capital	\$780,000	\$365,000	\$415,000	4
Expenses of the Public Offer	\$300,000	\$443,000	(\$143,000)	5
Total	\$6,280,000	\$3,518,000	\$2,762,000	
Remaining cash		\$2,343,000		

Notes:

1. This includes \$380,000 received in the June 2021 quarter and \$2,620,000 received in the September 2021 quarter, for the maximum subscription achieved of \$3,000,000. This \$380,000 is included in the opening cash balance of \$3,241,000.
2. \$1,130,000 of exploration expenditure to 31 December 2022 is 35% of total proposed exploration expenditure over the two years of \$3,200,000. This is behind schedule due to drilling delays, however, the Company notes the MLA has now been submitted and studies are progressing.
3. \$1,080,000 of corporate costs and directors' fees to 31 December 2022 is 72% of total proposed corporate costs and directors' fees over the two years of \$1,500,000. This is on track to expend this amount on corporate costs and directors' fees.
4. \$365,000 of working capital expenditures and movements to 31 December 2022 is 47% of total proposed working capital expenditures and movements over the two years of \$780,000. The Company is on track to expend this amount on working capital because this included movements in GST receivable and other movements to 31 December 2022 that will be recouped in future quarters. This also includes the payment of \$302,915 in stamp duty for the acquisition which will not reoccur.
5. The Company has expended \$443,000 on the public offer and related transaction costs, which was \$143,000 more than the \$300,000 projected. This difference was caused by extra costs associated with relisting compliance and completion of the transactions.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CARBINE RESOURCES LIMITED

ABN

81 122 976 818

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(90)	(311)
(b) development	-	-
(c) production	-	-
(d) staff costs	(111)	(362)
(e) administration and corporate costs	(90)	(363)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	27
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (stamp duty on Muchea West Project acquisition)	-	(303)
1.9 Net cash from / (used in) operating activities	(278)	(1,312)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	4
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	4
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(1)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,621	3,652
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(278)	(1,312)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	4
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(1)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,343	2,343

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	843	1,121
5.2	Call deposits	1,500	1,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,343	2,621

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	159
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts shown at item 6.1 comprise of payments to related parties (or their associates) relating to director fees, rent and accounting, bookkeeping and administration services paid during the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(278)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(278)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,343
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,343
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 January 2023**

Authorised by: **By the Board**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.