



## Quarterly Report to 31 March 2023

### Highlights

- ◆ Drilling completed at Muchea West
- ◆ 58 hand auger holes for 479 metres
- ◆ 421 samples sent to Austest for analysis

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 March 2023.

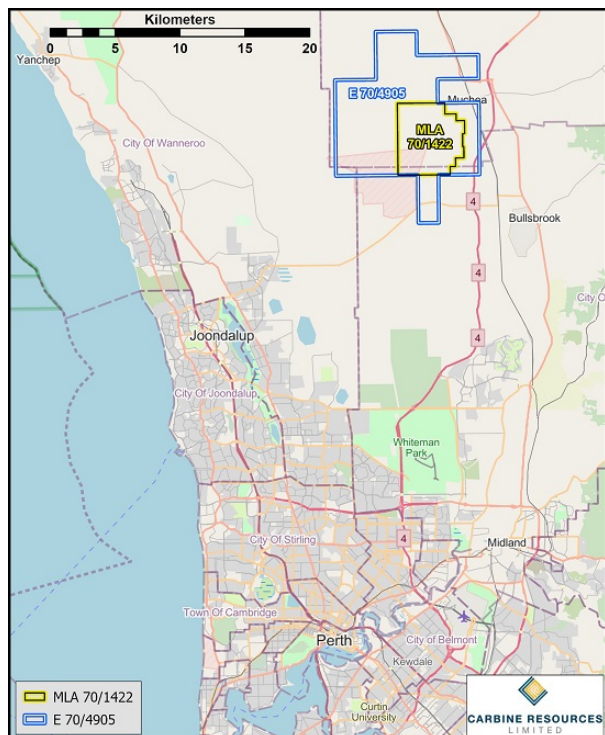
### Muchea West Silica Sand Project

The Muchea West Project is located approximately 40km north-northeast of Perth and approximately 500m to the west of Muchea. Covering a land area of 102km<sup>2</sup>, the Project consists of a granted exploration licence, E70/4905, and a Mining Licence Application, MLA70/1422.

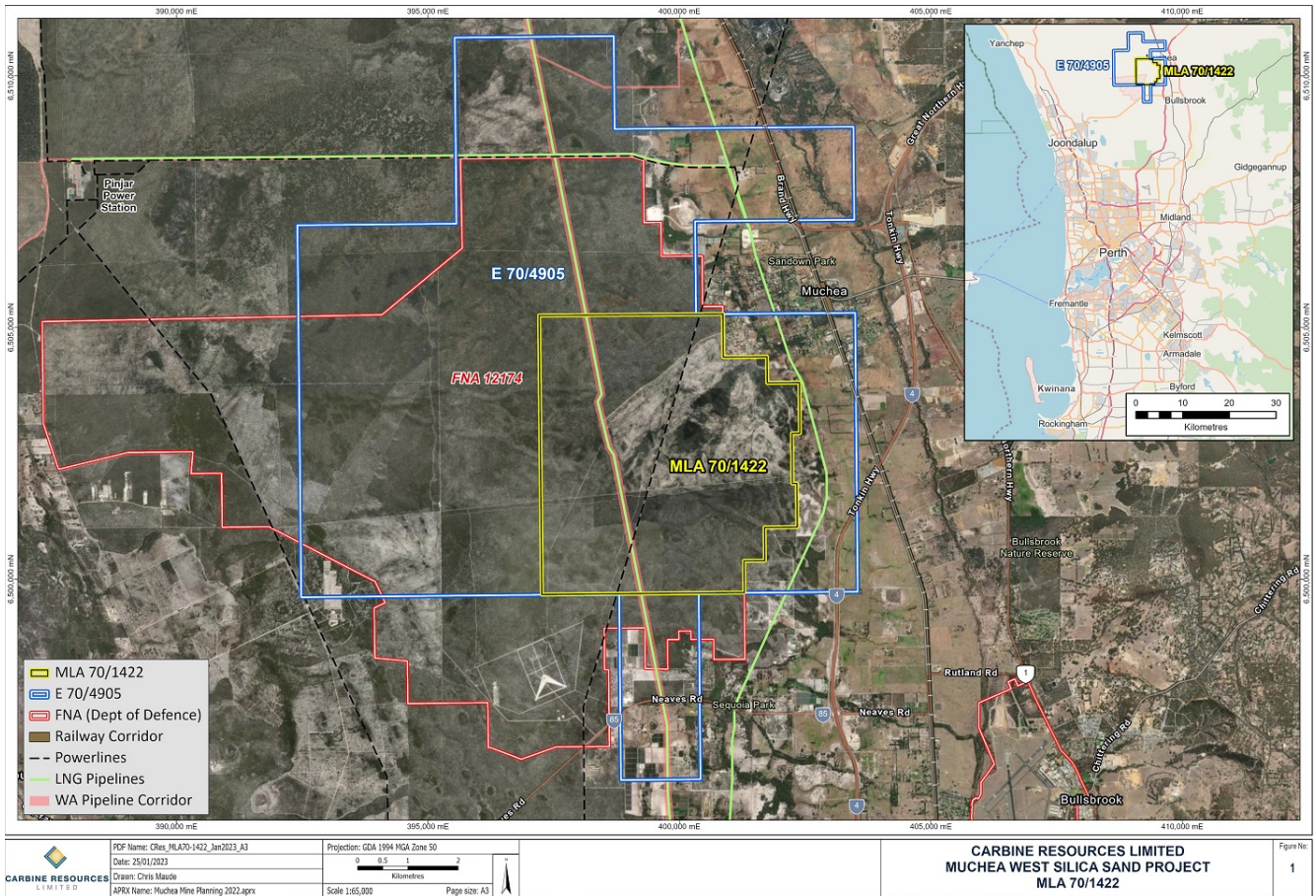
There is excellent access with the Tonkin Highway and the Moora-Kwinana Railway providing a direct connection with the Kwinana Bulk Terminal.

The Muchea West Project is host to an Indicated Resource of 40Mt at 99.73% SiO<sub>2</sub> and Inferred Resource of 53Mt at 99.70% SiO<sub>2</sub> for an initial resource of 93Mt at 99.71% SiO<sub>2</sub><sup>1</sup>, 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**



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



**Figure 2: Muecha West Project with MLA70/1422**

**Mining Licence Application**

The South East Area of Interest at the deposit was the focus for the initial mining application which 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 (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.

**Table 1: Indicated and Inferred Resource within MLA70/1422**

	SiO <sub>2</sub> Cutoff	Volume	Tonnes	Density	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	Fe <sub>2</sub> O <sub>3</sub>	K <sub>2</sub> O	TiO <sub>2</sub>	LOI
Category	%	million m <sup>3</sup>	million	t/m <sup>3</sup>	%	%	%	%	%	%
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
<b>Total</b>	<b>99.00</b>	<b>28.60</b>	<b>44.04</b>	<b>1.54</b>	<b>99.74</b>	<b>0.024</b>	<b>0.026</b>	<b>0.003</b>	<b>0.049</b>	<b>0.145</b>

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





## **CARBINE RESOURCES LIMITED**

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.

### **Drilling**

Following the completion of dieback and unexploded ordnance surveys undertaken this quarter, access was granted for the purpose of resource extension drilling. Hornet Drilling were contracted to complete the program of 58 holes spaced 100m from previous drilling and 100m apart in the southeast area of E70/4905.

The drilling was 100m away from cleared tracks and only low impact, hand augering was permitted. All material required to complete the holes was transported to a track near the location and manually transported to the site. The actual collar location was selected as the closest clear patch within the unexploded ordnance surveyed area for each planned location to avoid clearing (Figure 3b).

The planned 58 holes were completed to varying depths. Drilling was terminated at drill refusal or at water, with the maximum depth being 11.5m despite planned depths to 29m. The planned depths were based on a surface 3m above the Gngangara Mound water table and proposed for machine drilling. PVC casing was used for the hole to reduce the potential of sample contamination. Water was used to firm the sand and ensure a solid auger sample (Figure 3a).

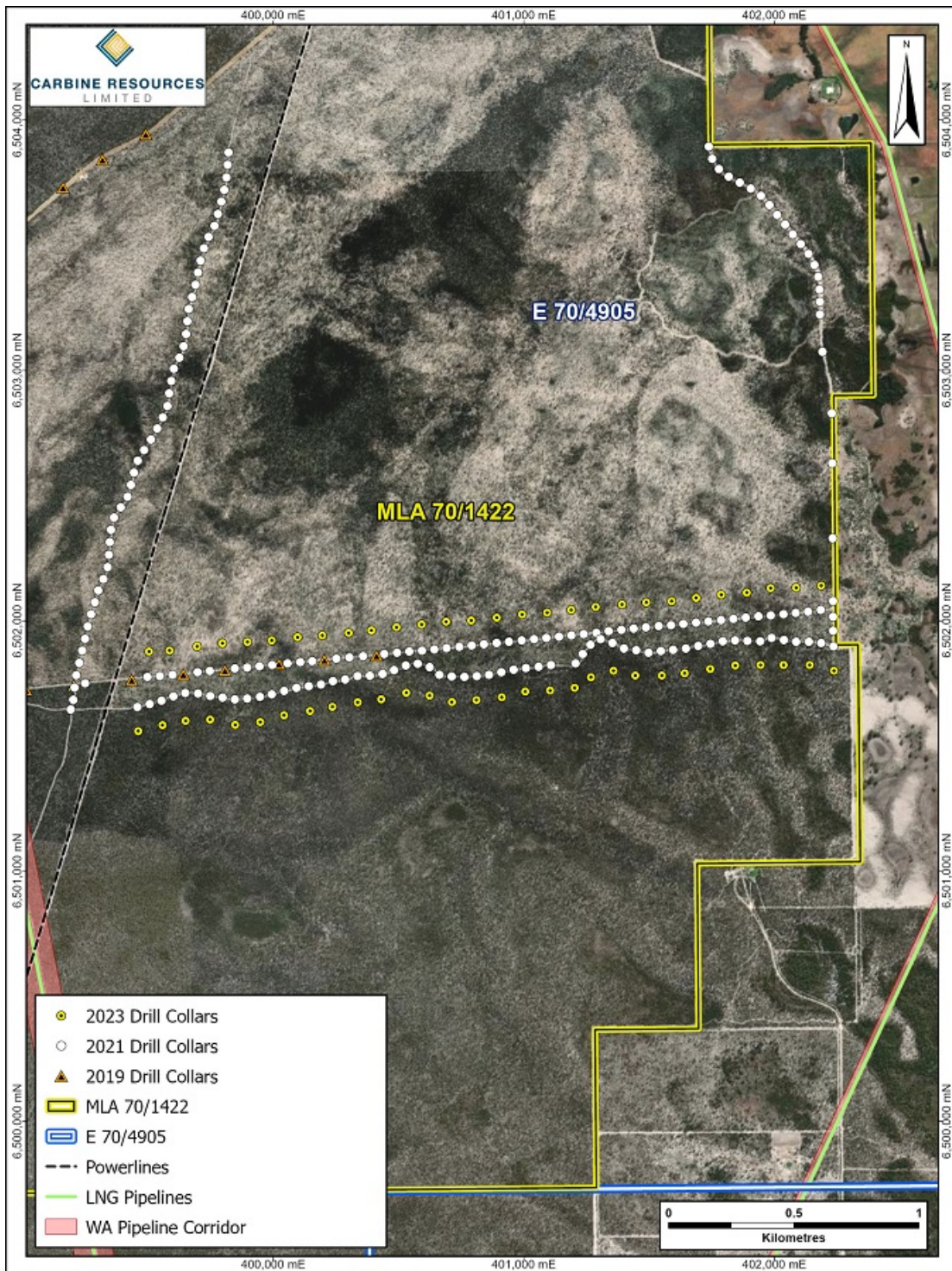


*Figure 3: (a) auger sample; (b) completed hole*

Single metre samples were collected for each hole with the exception of the first metre. The program produced 421 samples that were transported to Austest for analysis. Results are expected in Q2.







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

## Safety

The Company is pleased to advise that no accidents or incidents were reported from work conducted on E70/4905 for the March Quarter by Carbine staff and contractors.





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**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 Oreology Mine Consulting, and the process design and cost estimates undertaken by Como Engineers.

The Study is near finalisation with considerations regarding alternative logistical options, including transport and export, being investigated prior to completion. The Company will consider including results from the most recent program in the scope of the study.

**Ongoing Work**

The Company will undertake a revised Mineral Resource Estimate which is expected to further expand the resource within MLA70/1422. Carbine intends to undertake a feasibility study utilizing all available drill samples for the purpose of better defining the project fundamentals and processing options and outputs.

The initial fauna studies and the spring botanical study have been completed and final reports are expected in Q2 2023.

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

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 March 2023:

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 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 March 2023 as advised in the Appendix 5B:

- expenditure incurred on exploration and evaluation during the quarter related primarily to drilling, surveys and continuing 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
<b>Total</b>	<b>\$6,241,000</b>	<b>\$5,861,000</b>	<b>\$380,000</b>	
Exploration expenditure	\$3,200,000	\$1,226,000	\$1,974,000	2
Proposed cash payment	\$500,000	\$500,000	-	
Corporate costs (including Directors' fees)	\$1,500,000	\$1,278,000	\$222,000	3
Working capital	\$780,000	\$344,000	\$436,000	4
Expenses of the Public Offer	\$300,000	\$443,000	(\$143,000)	5
<b>Total</b>	<b>\$6,280,000</b>	<b>\$3,791,000</b>	<b>\$2,489,000</b>	
Remaining cash		<b>\$2,070,000</b>		

#### 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. \$1,226,000 of exploration expenditure to 31 March 2023 is 38% 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. The continued rate of expenditure will depend on the mining licence application process and the timing of further drilling and exploration programs.
3. \$1,278,000 of corporate costs and directors' fees to 31 March 2023 is 85% 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. \$344,000 of working capital expenditures and movements to 31 March 2023 is 44% of total proposed working capital expenditures and movements over the two years of \$780,000. The expenditure of the working capital will depend on the requirements of the Company outside of its exploration and corporate costs.
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 MARCH 2023**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(96)	(96)
(b) development	-	-
(c) production	-	-
(d) staff costs	(87)	(87)
(e) administration and corporate costs	(100)	(100)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(273)</b>	<b>(273)</b>
<b>2. Cash flows from investing activities</b>		
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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,343	2,343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(273)	(273)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,070</b>	<b>2,070</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	570	843
5.2	Call deposits	1,500	1,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,070</b>	<b>2,343</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	132
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, company secretarial fees, accounting, bookkeeping and administration services paid during the quarter.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(273)
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)	(273)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,070
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,070
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.6
<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: **28 April 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.