



ASX / MEDIA ANNOUNCEMENT

25 May 2023

## Carbine to acquire the Down South Silica Sands Project

### HIGHLIGHTS

- ◆ Carbine Resources has signed a binding term sheet to acquire 100% of the highly prospective Silica Sands Project located southeast of Bunbury from Down South Silica Pty Ltd, encompassing a land package of 5,800 hectares (~58km<sup>2</sup>).
- ◆ The Silica Sands Project offers Carbine an excellent opportunity of a near term development project with significant growth potential whilst the Company continues to advance its exciting Muchea Project.
- ◆ Key drivers behind the acquisition are:
  - Potential to significantly improve the data relating to the Bassendean Sand Formation at this location where only 10% of landholding has previously been explored;
  - Access to key infrastructure including port; and
  - Located on Freehold land.
- ◆ Historical exploration by numerous companies identified silica sand deposits in three locations and further areas of exploration potential.
- ◆ A small volume (1,808t and 8,036t) of silica sand was previously mined (1970/71 and 1988) by Westralian Sands Ltd and exported through the Bunbury Port (Sofoulis 1971, Tyler 1988).

Peter Batten, Managing Director of Carbine, stated *“This acquisition complements the Company’s existing strategy and fits well with its existing plans at its Muchea Project. The Silica Sands Project offers Carbine potential access to near term development whilst it continues to develop its exciting large-scale Muchea Project. Our goal through undertaking this acquisition is to secure the potential for an earlier stage production and subsequent cashflow scenario with the object of self-funding the development of the Muchea Project.*

*“Historical exploration has resulted in identifying the locations for potential resources and provided information regarding grades at these locations. Previous resource calculations are not reportable, however, they provide valuable data for Carbine to build on. Discussions with landowners regarding access for exploration and support of potential mining operations convinced Carbine of the potential of the tenement.”*

**Carbine Resources Limited (ASX: CRB) (the Company)** is pleased to advise that it has signed a binding term sheet (**Term Sheet**) to acquire 100% of the Silica Sands Project, from Down South Silica Pty Ltd (**DSS**), subject to various conditions precedent (**Acquisition**).

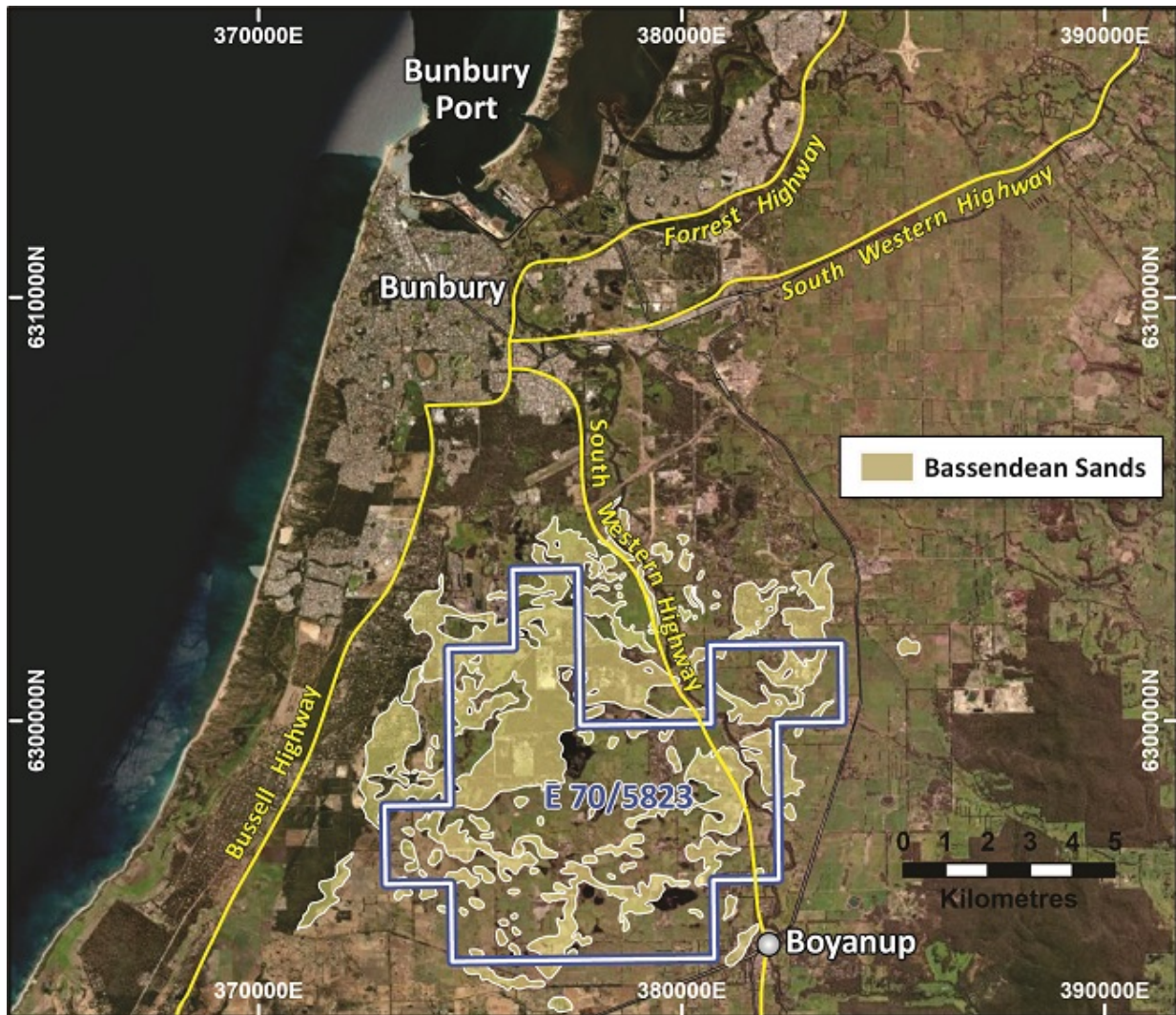
DSS holds 100% of the Silica Sands Project which covers a land area of 5,800Ha consisting of three granted exploration licences, E70/5823, E70/6414 and E70/6415.

### Bunbury Silica Sand Project

The Silica Sands Project is located approximately 10km southeast of Bunbury in the Wellington Land Division of the Southwest Mineral Field (Figures 1 & 2) and within the shires of Capel (17.56096 BI) and Dardanup (2.43903 BI). The area can be located on the Collie (SI50 – 06) 1:250,000 map sheet and the Bunbury (2031) 1:100,000 map sheet.



Access is via the Bussell Highway to the west or the Southwestern Highway to the east. Access across the tenement is limited to a combination of sealed and unsealed gazetted roads.



**Figure 1: Project Location**

This Project has been explored by public companies and has progressed to an advanced exploration stage.

The ground has been the subject of numerous drilling programmes, predominantly for mineral sands, but at least three companies have explored for silica sands.

Work completed by Westralian Sands prior to 1970 identified a number of areas of interest (Areas A, B and C shown in Figure 2) and the culmination of this work led to a small mining operation to test the economics of a silica sand export project from their Area A location. In 1970 and 1971, a total of 1,808dmt were mined processed and exported from Bunbury Port (Sofoulis 1971) and again in 1988 a campaign mined, processed and exported 8,036dmt (Tyler 1988).

Later, Australian United Silica Corporation Pty Ltd mapped surface expressions of white sand and identified areas of potential (1, 2 and 3 shown in Figure 2).

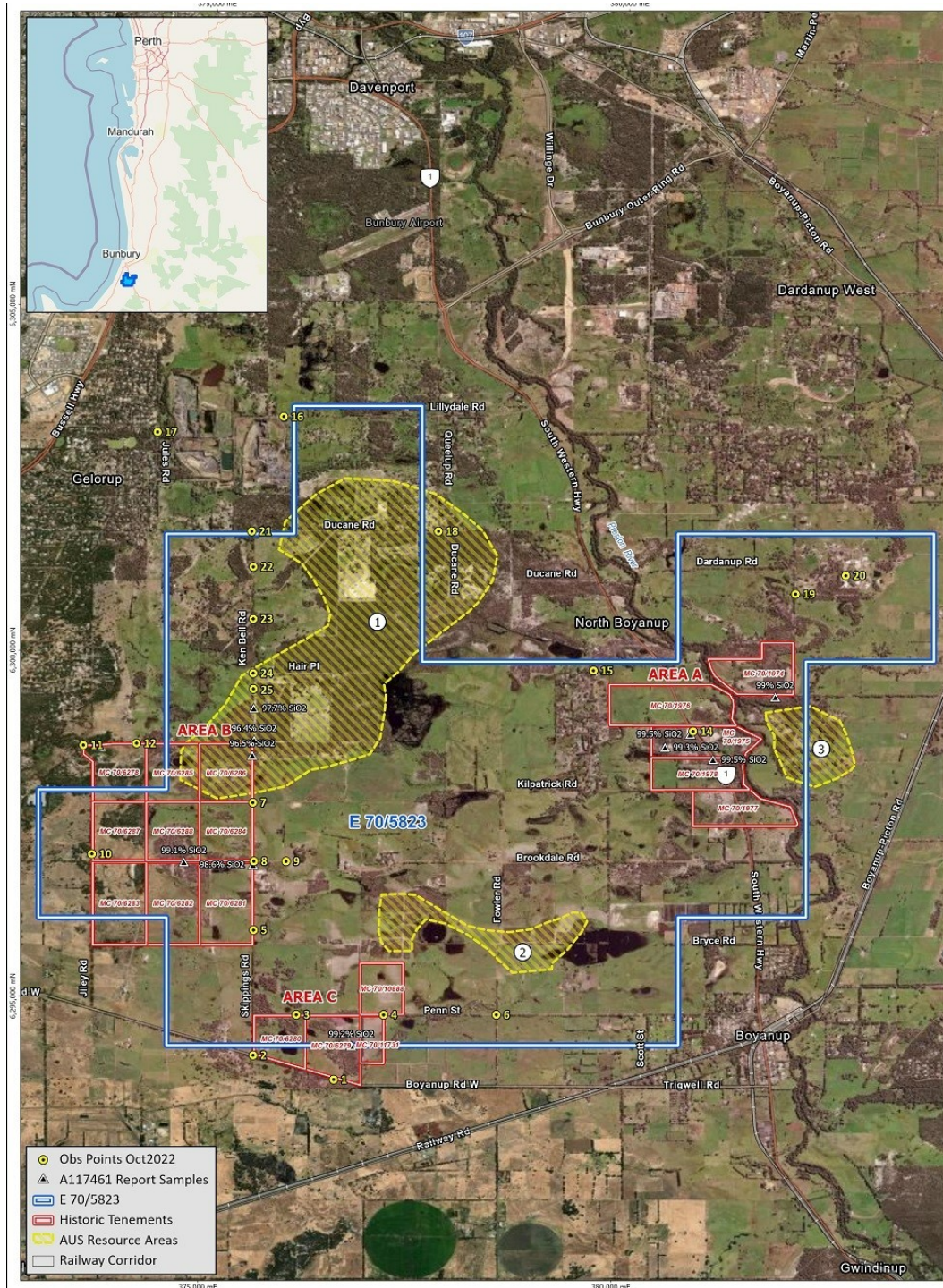


Figure 2: Sand Locations

## Project Geology

Silica sand deposits (Bassendean Sands), interpreted as fossil aeolian sand dunes, overlie Pleistocene sediments comprising the Coastal Plain of the Boyanup/Capel region. The dunes have a low relief (3 – 9m) and their areal distribution is readily defined by the distinctive white pattern the sand displays on satellite images. Most of the dunes have a rounded profile and form elongated or irregular shaped mounds covering extensive distances. The base of the sand is marked by either a laterite development or clay sediments.



## **Key Acquisition Terms**

The DSS vendors are Mr Peter Romeo Gianni and Mr Robert Andrew Jewson who are both unrelated parties to the Company.

The consideration payable to the vendors for the acquisition of DSS comprises:

- the issue of 71,965,794 fully paid ordinary shares in the capital of the Company, 100% of which will be subject to 12 month voluntary escrow from the date of issue; and
- the grant of a 1% net smelter royalty (**NSR**) over all minerals extracted from the tenements comprising the Silica Sand Project, to be granted on customary AMPLA terms, with each vendor's interest in the royalty in proportion to their respective equity interest in DSS.

Completion of the acquisition is scheduled to occur on 25 May 2023.

There will be no changes to the Board of directors of the Company as a result of the proposed transaction.

## **Planned Exploration**

A data review aimed at informing exploration planning activities for the Silica Sands Project will commence shortly. Carbine intends to contact landowners for permission to access properties for sampling purposes. Drilling will follow immediately on from the mapping of the Bassendean Sand Formation on accessible land. Environmental assessments will also be undertaken shortly after the transfer of tenements.

Field based activities are planned to commence upon completion of the review.

## **Muchea West High Purity Silica Sand Project**

The Company continues to advance the Muchea West project and is assessing results from the Scoping Study (Independent Metallurgical Operations and Oreology). A drilling program was completed recently, and the samples have been delivered to AusTest for analysis. The results of this program will feed a Feasibility Study.

This announcement is approved for release by the Board of the Company.

## **For further information, please contact:**

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## **References:**

Arunachalam, K., 2018. Australian United Silica Corporation Pty Ltd Annual Report. WAMEX Report A117461

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Tyler, M.H., 1988. Annual Report on Operations Mining Lease 70/88 Boyanup. WAMEX Report A24743