



## **March 2020 Quarterly Report**

**Carbine Resources Limited (ASX: CRB)** (the **Company** or **Carbine**) is pleased to provide shareholders with the quarterly activities report for the three-month period ended 31 March 2020.

As announced during the quarter, on 22 January 2020, the Company executed a binding share sale agreement (**Share Sale Agreement**) with Cockatoo Iron NL (**Cockatoo Iron**) and certain key shareholders of Cockatoo Iron that are associated with the directors of Cockatoo Iron whereby the Company will, on the satisfaction of various conditions precedent, acquire a controlling interest in, and up to 100% of the issued shares and converting notes in Cockatoo Iron from the Cockatoo Iron shareholders and holders of converting notes (**Vendors**) (**Transaction**).

Cockatoo Iron holds 100% of both Pearl Gull Pty Ltd (**Pearl Gull**) and Silver Gull Iron Pty Ltd (**Silver Gull**), which are the registered holders or applicants in respect of certain mining tenements (detailed below) which cover a significant portion of Cockatoo Island (**Cockatoo Island Project**).

As part of the Transaction, the Company intends to raise \$3.2 million at an issue price of \$0.03 per ordinary fully paid share pursuant to an offer under a prospectus, with AMCI Iron Ore Pty Ltd, an affiliate of the AMCI Group (AMCI) participating as cornerstone investor, agreeing to subscribe for approximately \$2.5 million worth of Shares. Funds raised will be spent on an exploration program regarding the Cockatoo Island Project.

The Transaction is subject to satisfaction of various conditions precedent, including completion of due diligence activities, shareholder approval and the Company satisfying the requirements of Chapters 1 and 2 of the Listing Rules for reinstatement to official quotation of its securities. Due to the complexities of the historical operations on Cockatoo Island, the Company is continuing to undertake extensive due diligence activities to mitigate potential exposure to the Company and shareholders.

The Company expects to complete these due diligence activities within the next four weeks, however, recognises that the current restrictions in place due to the COVID-19 pandemic may result in a further delay. The Company will continue to update the market on the progress of these due diligence activities.

### **COCKATOO ISLAND PROJECT**

Cockatoo Island is located in the north of Western Australia and has a history of iron ore mining going back to the 1950's. In terms of infrastructure, the mining tenements held by Pearl Gull enable access to Cockatoo Island by air (ie includes an airstrip), and includes a workshop/office and a potable water bore field.

Past production activities undertaken by other entities (not owned by Cockatoo Iron) on Cockatoo Island have focused on the seawall pit (M04/448), but this is now flooded. This tenement is not owned by Cockatoo Iron or its subsidiaries, and so is not being acquired by the Company pursuant to the Transaction.

Cockatoo Iron is targeting high grade mineralisation on inland parts of Cockatoo Island. With the exception of the pending applications in respect of E04/2528 and L04/104, the tenements held by Cockatoo Iron and its subsidiaries are shown below in green outline and labelled "CKI Tenements". For the avoidance of doubt, the





tenements in blue outline labelled "PLV Tenements" are not held by Cockatoo Iron and are not the subject of the Transaction.



**Figure 1:** Granted tenements held by Pearl Gull and Silver Gull (green outline). Pending applications held by Silver Gull in respect of E04/2528 and L04/104 are not shown. Tenements in blue are not the subject of the Transaction.

Pearl Gull and Silver Gull are registered as the holder / applicant of the following Tenements:

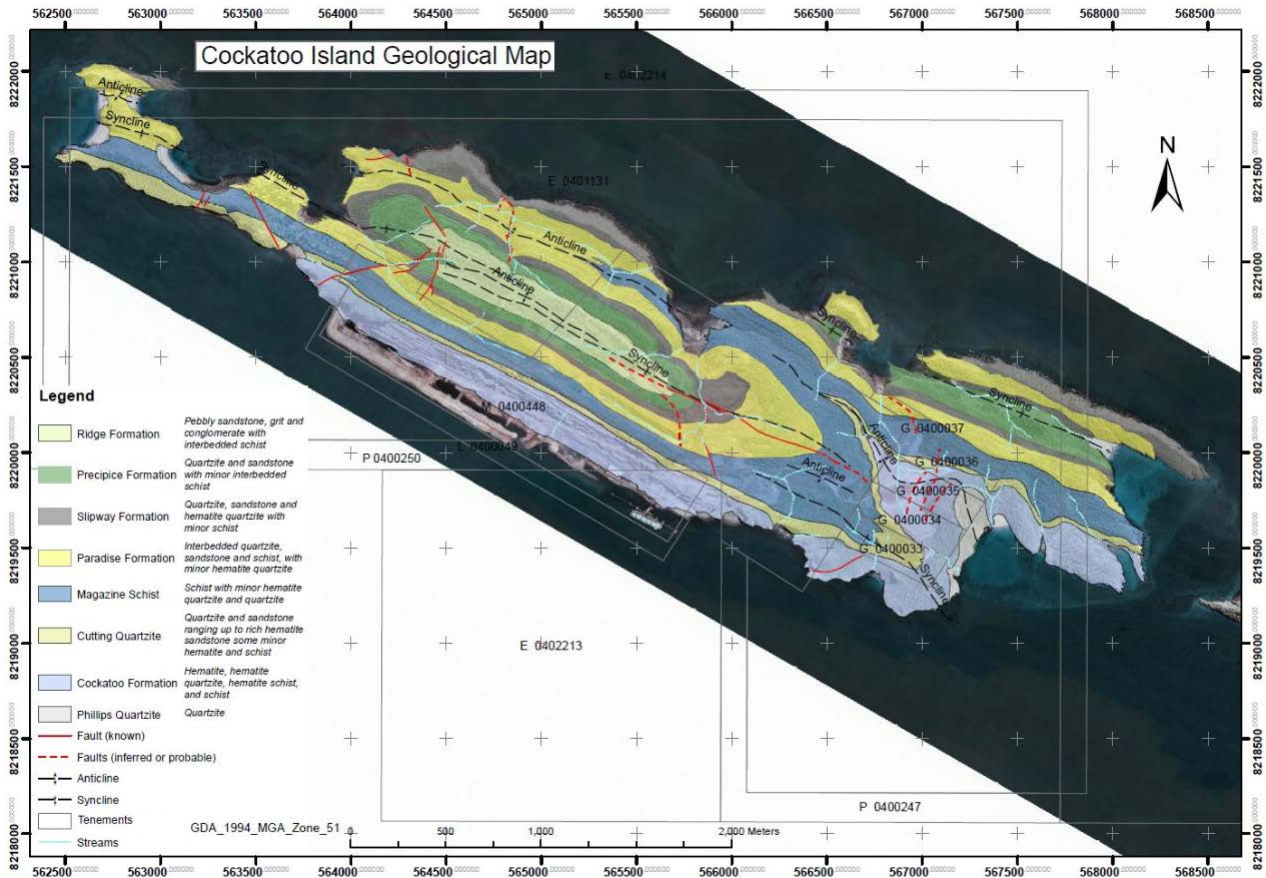
Tenement / Application	Registered holder / Applicant
E04/2528 (application for exploration licence)	Silver Gull (applicant)
L04/104 (application for miscellaneous licence)	Silver Gull (applicant)
L04/102 (granted miscellaneous licence)	Pearl Gull (registered holder)
L04/103 (granted miscellaneous licence)	Pearl Gull (registered holder)
M04/235 (granted mining lease)	Pearl Gull (registered holder)

Cockatoo Iron proposes to undertake a high-impact exploration program in an area of known mineralisation where interpreted repeats of high-grade hematite lenses seen elsewhere on Cockatoo Island are expected to sub-crop. Any new mineralisation discovered likely requires a relatively modest size threshold to be economic given the infrastructure in place and the potential for commercialising overburden material as ballast or, at a later stage, beneficiation plant feed.

Cockatoo Iron is investigating the potential for:

- repeats of high grade mineralisation in commercial quantities;
- economic development of lower grade hematite mineralisation (beneficiation); and
- ballast material for use in oil and gas pipeline construction to be quarried from its Tenements.





**Figure 2: Geological Map of Cockatoo Island**

For further details about the Transaction, refer ASX announcements dated 22 January 2020 and 9 April 2020.

Cash at bank for the Company, as at 31 March 2020, is approximately \$1.85 million. The Company also holds listed securities with an approximate value of \$650,000.

The Company also notes that ASIC has confirmed for companies that have a 31 December balance date (such as Carbine), that as a result of COVID-19 and the impacts it has had on companies holding their AGMs, that it will take no action if AGMs are postponed for two months, that is until the end of July 2020. The Company will advise in due course the proposed date for its AGM.

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

**For further information, please contact:**

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**CARBINE RESOURCES**  
LIMITED

## **Appendix 1: Carbine's Tenement Interests**

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2020.

The Company held no interest in any mining tenements at the end of the quarter.

The Company did not acquire or dispose of any interests in mining tenements during the quarter.

## **Appendix 2: Related Party Payments**

In line with obligations under ASX Listing Rule 5.3.5, Carbine notes that the payments to related parties of the Company as advised in the Appendix 5B for the period ended 31 March 2020 pertain to fees payable to non-executive directors and for rent and accounting, bookkeeping and administration services provided to the Company on commercial arm's length terms.

