CARBINE RESOURCES
LIMITED

ASX / MEDIA ANNOUNCEMENT **16 March 2015**

HIGH GRADE GOLD TAILINGS INTERSECTED AT MOUNT MORGAN

Highlights

- ***Significant gold grades and widths from assays of the first 8 of 35 holes drilled***
- ***Better results include:***
  - ***17m at 3.63g/t gold ending in mineralisation***
  - ***14m at 2.04g/t gold***
  - ***10m at 2.14g/t gold ending in mineralisation***
- ***Average overall grade of tailings intersected 2.12g/t gold***
- ***Identified scope for improvement of current JORC resource size and grade***
- ***Opportunity for initial production from high grade resources***
- ***Further drilling assays pending***

Carbine Resources Limited (ASX: CRB) is pleased to announce assay results for the first eight holes from the recently completed thirty five hole drilling program at the Mount Morgan Gold & Copper Project.

The table below provides details of the initial results, including the widths and grades intersected:

Drill Hole ID	Tailings Intersection	Gold Grade
Mun18	17m	3.63 g/t
Mun14	7m	2.20 g/t
Mun24	10m	2.14 g/t
Mun24B	14m	2.04 g/t
Mun13	12m	2.03 g/t
Mun9	15m	1.86 g/t
Mun12	16m	1.59 g/t
Mun3	17m	1.41 g/t

The average grade achieved was 2.12g/t gold within the 108m of intersected mineralised surface tailings from the initial eight holes, with the best intercept being 17m at 3.63g/t gold ending in mineralisation. It is important to note that drill hole Mun18, which achieved the highest gold grade, is located outside of the existing JORC resource boundary as shown in Figure 1 (overleaf).

carbine@carbineresources.com.au
www.carbineresources.com.au

ABN 81 122 976 818
Suite 23, 513 Hay Street
Subiaco WA 6008
PO Box 1311 Subiaco WA 6904
phone +61 8 6142 0986
fax +61 8 9388 8824

The intersected tailings were also found to have excellent continuity, with gold grades carried over the full width of intersection without barren zones. The cross section in Figure 2 below details the consistency of the seam of mineralised resources, which remain open to the east and west of the existing JORC resources.

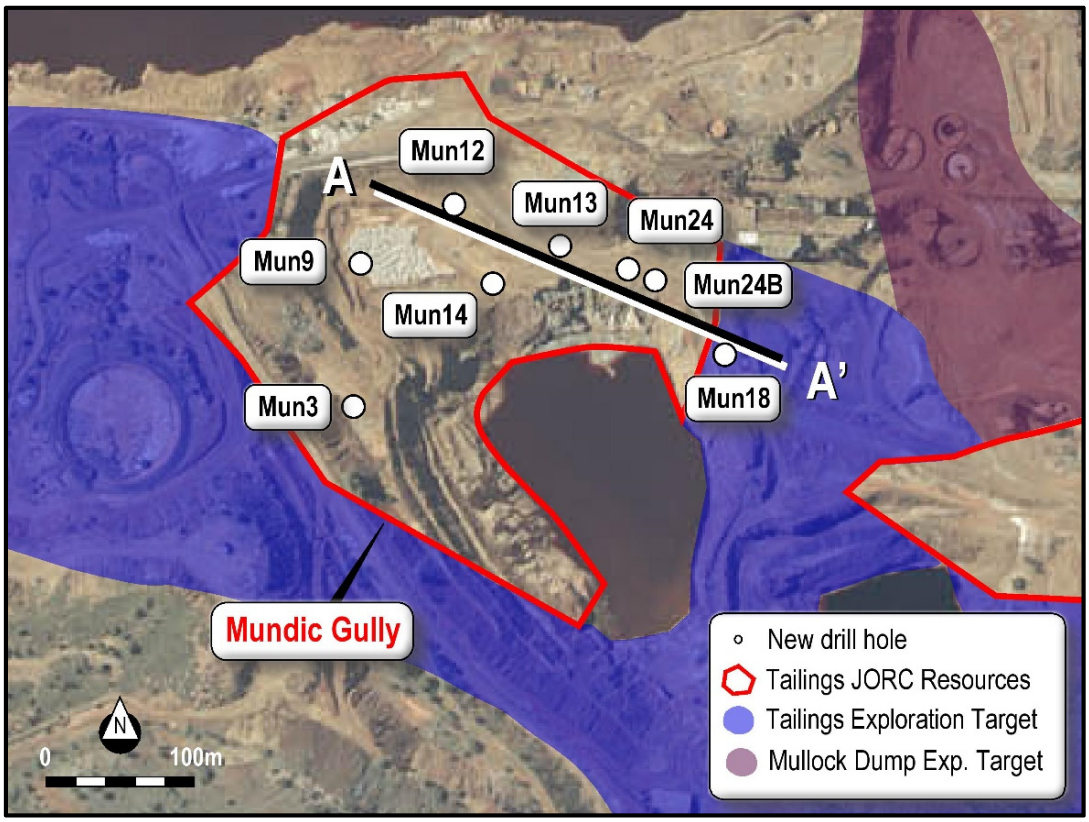


Figure 1: Mundic Gully drilling

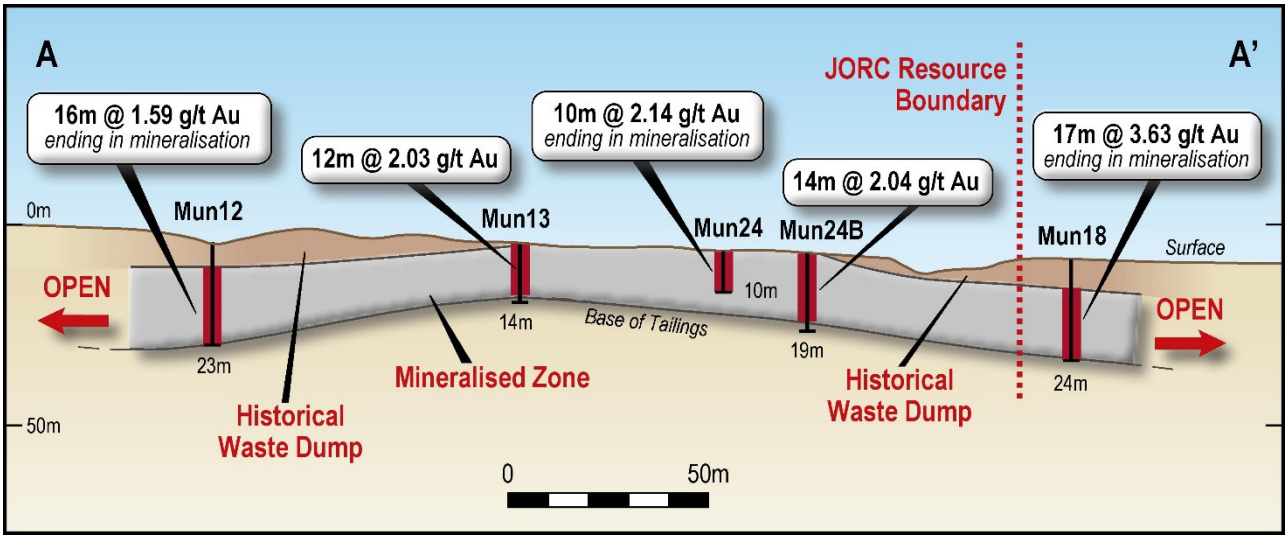
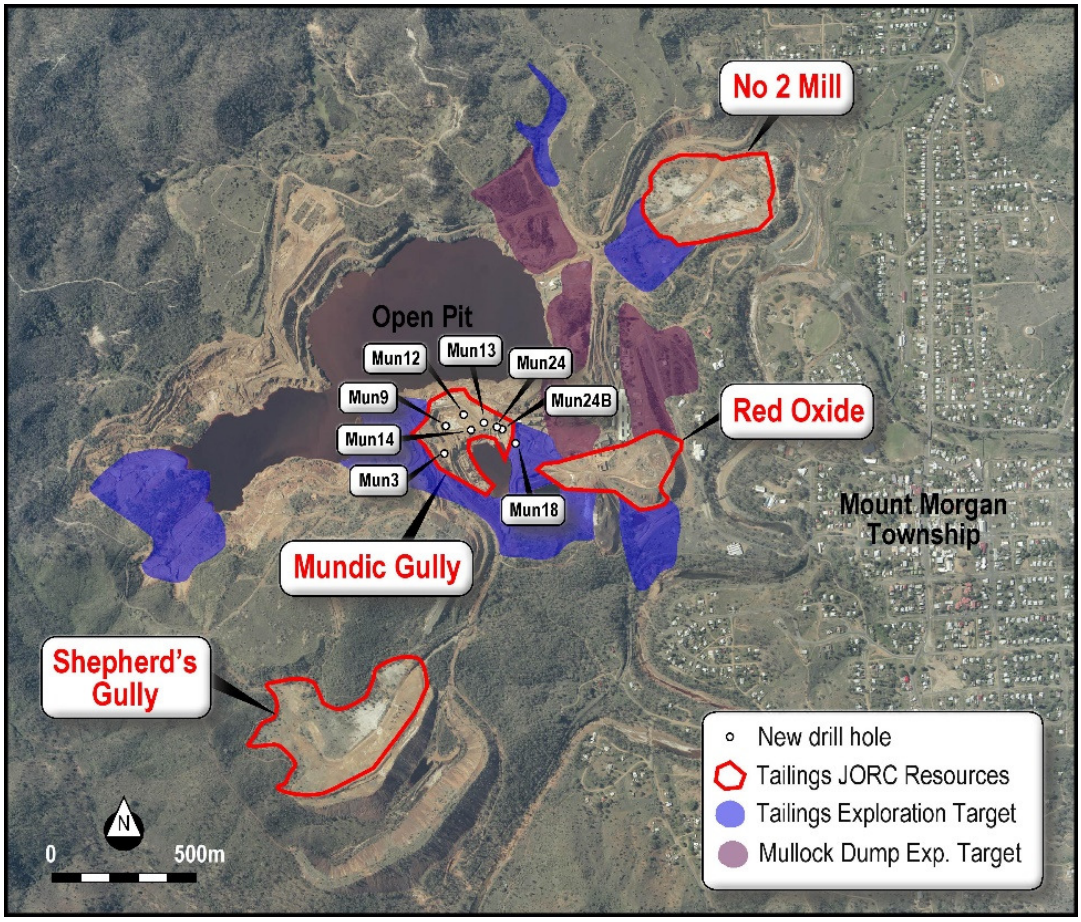


Figure 2: Cross section A - A' of drilling in Mundic Gully

CARBINE RESOURCES
LIMITED

While the primary purpose of the drilling campaign was to collect sample for the Phase 3 metallurgical testwork campaign and upcoming pre-feasibility study, the grade, location and widths of tailings intersected has provided encouragement of a potential increase in both the size and grade of current JORC resources.

At present the Project contains overall JORC resources of 8.35Mt @ 1.23g/t Au and 0.15% Cu. A substantial Exploration Target also exists at the mine site, stated at 32 - 40Mt grading 0.67 - 0.79g/t Au and 0.11 - 0.19% Cu. This Exploration Target is not a mineral resource and is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.



.

Figure 3: Location of initial drill holes at Mount Morgan

Further results from the remaining drill holes will be made available on completion of all assay results and collation of the data.

The Company sees no reason why the ASX would not allow trading to recommence immediately.

For further information, please contact:

Patrick Walta – Executive Director (08) 6142 0986

CARBINE RESOURCES
LIMITED

Competent Person Statement

The information in this report that relates to the recently completed exploration results is based on and fairly represents information compiled by Dr Marat Abzalov, who is a geological consultant to Carbine Resources Limited. Dr Abzalov is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM) and he has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking 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". Dr Abzalov consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to the Exploration Target 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. This was initially release to the ASX on 13 November 2014 and has not materially changed since it was last reported.

The information in this report that relates to the Mineral Resources of the Mount Morgan Mine project was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM") and has a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation, and report preparation. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

CARBINE RESOURCES
LIMITED

APPENDIX 1: JORC (2012) COMPLIANCE CHECK LIST

The JORC compliance check list presented below is arranged as the Table 1 (Check List of Assessment and Reporting Criteria) of the JORC Code (2012) and contains additional columns. The columns. Columns 1 – 2 of the tables are copied from the Table 1 of the JORC Code (2012) and contain the criteria for assessment and reporting, while column 3 contains explanations of the approach used for properly addressing the JORC requirements.

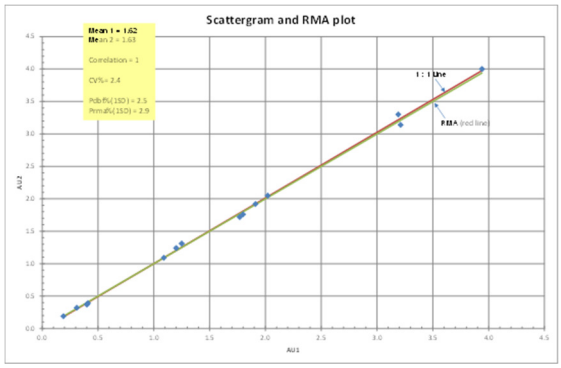
Reporting criteria presented in the Section 1 of the JORC Table 1

(Sampling techniques and data)

Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
(1.1.) Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Conventional Air Core drill rig (T450) equipped with riffle splitter for collecting the samples. Samples are collected regularly, at 1m intervals. Hole diameter 5.5 inches
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drilling was vertically down which is optimal for flat laying mineralisation intersecting the gold lenses at a right angle; 1m long samples are well suited for estimation resources of the mineralised tailings Samples quality was assured by adjusting the drilling parameters for peters Obtained samples were weighted in the lab which was used as non-direct control of a possible sample losses
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which	Drilling and sampling procedures was performed using the industry standard techniques and equipment. 1m samples was split during drilling using the riffle splitter built-in to the drilling rig.

	3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques (1.2.)	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Conventional RC (Air Core) dill rig. T450 model, Mounted on 6X6 MAN. Hole diameter 5.5 inch
Drill sample recovery (1.3.)	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Obtained samples were weighted in the lab which was used as non-direct control of a possible sample losses.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	This was based on adjusting the drilling parameters to obtain the best recovery
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable
Logging (1.4.)	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Because drilling target was the old tailings the logging of the drill holes was concentrated onto diagnostic of tailing materials. It had to be separated from the surficial material, which was classified as 'mixed', and from the base rocks All drill holes and every drilled intervals were logged
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Qualitative logging, primarily focused on the diagnostic of tailing materials
	The total length and percentage of the relevant intersections logged.	100% of intersections was logged

Sub-sampling techniques and sample preparation (1.5.)	□ *If core, whether cut or sawn and whether quarter, half or all core taken*	Not applicable (air core drilling was used)
	□ *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Riffle splitter was used for subsampling the recovered drill cuttings. Samples were dry and amenable for subsampling using the standard riffle splitter.
	□ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Samples preparation was made at the ALS laboratory following the standard preparation technique. • Samples (1 – 5kg) are crushed, grinded and pulverised using either fully automated Herzog pulveriser or by using LM2 pulveriser requiring the manual feeding • Aliquots are dissolved using 4 acid digest (near complete dissolution) and peroxide fusion (complete dissolution). Results are compared one digest against the other The preparation approach, is standard and commonly used for medium grade gold mineralisation
	□ *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Duplicate samples will be used at the resource estimation stage
	□ *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	Field duplicates and twin holes are planned for the resource estimation stage
	□ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Samples are 2 – 4 kg which is appropriate for assaying the tailings, which is uniform and homogeneous material, approximately 150 microns
Quality of assay data and laboratory tests (1.6.)	□ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were assayed at the ALS laboratory. Gold was assayed using conventional fire-assay method with ICP-OES finish. Reported detection limit is 0.02 g/t Au.

	□ *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Not applicable
	□ *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Internal standards were used by ALS laboratory. 14 pulp duplicates have been assayed, showing the excellent repeatability of the assay results.  CV%, which is used as universal measure of the samples precision (Abzalov, 2008), is equal to 2.8% which is excellent results for gold mineralisation exceeding the industry best practice
Verification of sampling and assaying (1.7.)	□ *The verification of significant intersections by either independent or alternative company personnel.*	It will be performed at the later phases of drilling
	□ *The use of twinned holes.*	Will be used at the resource definition stage
	□ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Assays are obtained from the ALS laboratory in electronic form and stored in the special folder created at the Carbine Resources server
	□ *Discuss any adjustment to assay data.*	No adjustments was needed. Assay results reported as they obtained from the lab
Location of data points (1.8.)	□ *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill holes have been located using hand held GPS

CARBINE RESOURCES
LIMITED

	□ *Specification of the grid system used.*	Conventional AMG grid, based on Geocentric Datum of Australia (GDA94)
	□ *Quality and adequacy of topographic control.*	Drill hole collars have been draped onto topographic surface (Figs1 and 2)
Data spacing and distribution (1.9.)	□ *Data spacing for reporting of Exploration Results.*	Distance between drill holes 50 – 100m (Figs.1 and 2) which is sufficient for accurately reporting the Exploration Results and also sufficient for estimation Inferred resources
	□ *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	Distance of 50 m is likely to be sufficient for estimation resources
	□ *Whether sample compositing has been applied.*	No, samples assayed by 1m intervals. Compositing is used only for reporting the drill hole intersections, which are estimated for every drill hole. Because all drill hole samples were 1m long the intersection is estimated as arithmetic mean of the samples
Orientation of data in relation to geological structure (1.10.)	□ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	All drill holes were drilled vertically down which provides the best possible intersection of the mineralised tailings allowing accurately estimated their endowment
	□ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Not applicable. Drill hole intersect the tailings at right angle
Sample security (1.11.)	□ *The measures taken to ensure sample security*	Sample bags were collected by the Carbine Resources representative and delivered to the lab. The samples was not left unattended on site
Audits or reviews (1.12.)	□ *The results of any audits or reviews of sampling techniques and data.*	Not applicable

CARBINE RESOURCES
LIMITED

Reporting criteria presented in the Section 2 of the JORC Table 1

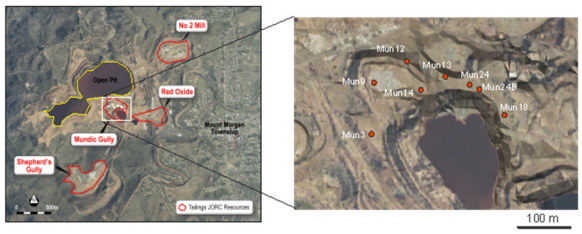
(Reporting of Exploration Results)

<table>
<tr><th>Criteria of JORC Code 2012</th><th>Explanation given in the JORC Code 2012</th><th>Comments / Findings</th></tr>
<tr><td rowspan="2">Mineral tenement and land tenure status (2.1)</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</td><td>The Mount Morgan project has been secured by Mining Leases: ML 5589, ML 5602, ML 5608 – ML 5069, ML 5612 – ML 5628, ML 5633 – ML 5635, ML 5648, ML 5649, ML 5658 – ML 5660, ML 6692 issued to the Norton Gold Fields Limited. Carbine Resources entered inti JV agreement with Norton Gold Fields Limited.

There is no native title related restrictions neither environmental or social obstructions.</td></tr>
<tr><td>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>All MLs expire on the 31/08/2025</td></tr>
<tr><td>Exploration done by other parties (2.2)</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>Geology of the Mount Morgan deposit is well known however the tailings have not been properly explored. Norton Gold Fields Limited have made preliminary due diligence however resources were not estimated and economic significance was not assessed.</td></tr>
<tr><td>Geology (2.3)</td><td>Deposit type, geological setting and style of mineralisation.</td><td>The tailings of the Mount Morgan mine</td></tr>
<tr><td>Drill hole Information (2.4)</td><td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

Easting and Northing of the drill hole collar.</td><td>
<table>
<tr><th>Hole Id</th><th>Easting</th><th>Northing</th><th>RL (DTM)</th><th>Hole depth,m</th></tr>
<tr><td>MUN12</td><td>231900</td><td>7383024</td><td>273.15</td><td>23</td></tr>
<tr><td>MUN13</td><td>231968</td><td>7382997</td><td>274.35</td><td>14</td></tr>
<tr><td>MUN14</td><td>231923</td><td>7382972</td><td>268.52</td><td>13</td></tr>
<tr><td>MUN18</td><td>232076</td><td>7382925</td><td>270.4</td><td>24</td></tr>
<tr><td>MUN24</td><td>232012</td><td>7382979</td><td>272.7</td><td>10</td></tr>
<tr><td>MUN24B</td><td>232031</td><td>7382972</td><td>272.44</td><td>19</td></tr>
<tr><td>MUN3</td><td>231832</td><td>7382889</td><td>278.23</td><td>45</td></tr>
<tr><td>MUN9</td><td>231836</td><td>7382984</td><td>269.69</td><td>29</td></tr>
</table>
</td></tr>
</table>

	□ *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*	RLs were derived from DTM surface by draping the drill hole collars to surface. The RLs vary in a narrow range from 268.5 to 278.2m
	□ *dip and azimuth of the hole.*	Holes were drilled vertically down (90º DIP)
	□ *down hole length and interception depth*	<table><tr><th>Drill hole</th><th>Drill Hole Length (m)</th><th>Tails Metres</th><th>AU (g/t) average</th></tr><tr><td>MUNDIC DHN 18</td><td>24</td><td>17</td><td>3.63</td></tr><tr><td>MUNDIC DHN 14</td><td>13</td><td>7</td><td>2.20</td></tr><tr><td>MUNDIC DHN 24</td><td>10</td><td>10</td><td>2.14</td></tr><tr><td>MUNDIC DHN 24 B</td><td>19</td><td>14</td><td>2.04</td></tr><tr><td>MUNDIC DHN 13</td><td>14</td><td>12</td><td>2.03</td></tr><tr><td>MUNDIC DHN 9</td><td>29</td><td>15</td><td>1.86</td></tr><tr><td>MUNDIC DHN 12</td><td>23</td><td>16</td><td>1.59</td></tr><tr><td>MUNDIC DHN 3</td><td>45</td><td>17</td><td>1.41</td></tr></table>
	□ *hole length.*	The drill holes are shallow, 10 to 45m long
	□ *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No exclusions made
Data aggregation methods (2.5)	□ *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Intersection grade is estimated as arithmetic mean, no weighing was applied because all samples were 1m long and composed of the same material (i.e. tailings). High grade cut off was not needed because distribution of the gold grade is relatively uniform, grade changes in the narrow range from ~0.5-6 g/t.
	□ *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	Not applicable
	□ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable

Relationship between mineralisation widths and intercept lengths (2.6)	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Tailings occur as a flat bed filling the topographic depression therefore geometry of mineralisation is well understood. Drill holes drilled vertically down which provides the optimal intersection at right angle to the mineralisation plane
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Orientation of the drill hole and geometry of the tailings are well known. Reported intersections represents a true width of mineralised tailings
Diagrams (2.7)	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The maps and cross-sections showing spatial distribution of the drill holes intersecting the gold mineralisation hosted by the old Mount Morgan tailings are shown at the ASX announcement 
Balanced reporting (2.8)	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Balanced reporting approach is used. The report includes summary of the all 8 new drill holes drilled at the Mundic domain providing an accurate non –biased presentation of the Exploration Results obtained
Other substantive exploration data (2.9)	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential*	Not applicable

CARBINE RESOURCES
LIMITED

	deleterious or contaminating substances.	
Further work (2.10)	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Drill programme includes approximately 150 drill holes which will allow to accurately estimate tonnage and grade of the gold mineralised tailings
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Map showing tailings and 8 completed and reported here drill holes is shown at the announcement

Appendix 2: Drill Hole Information

The following information is provided in accordance with Listing Rule 5.7.2

Hole Id	Easting	Northing	RL (DTM)	Dip	Azimuth	End of Hole (m)
MUN12	231900	7383024	273.15	-90º	0	23
MUN13	231968	7382997	274.35	-90º	0	14
MUN14	231923	7382972	268.52	-90º	0	13
MUN18	232076	7382925	270.4	-90º	0	24
MUN24	232012	7382979	272.7	-90º	0	10
MUN24B	232031	7382972	272.44	-90º	0	19
MUN3	231832	7382889	278.23	-90º	0	45
MUN9	231836	7382984	269.69	-90º	0	29