



March 2015 Quarterly Report

HIGHLIGHTS

- ◆ Completion of drilling program with high grade tailings intersected
- ◆ Execution of two conditional offtake agreements for pyrite sales
- ◆ Phase 3 testwork nearing completion
- ◆ Pre-Feasibility Study initiated
- ◆ Appointment of additional key personnel

Carbine Resources Limited (ASX: CRB) is pleased to provide an update on activities for the quarter ending 31 March 2015.

Mount Morgan Gold & Copper Project, Queensland

Drilling Program Completion

During the quarter, the Company completed a 35 hole drilling program over the existing resources at Mount Morgan. The program was designed to be used to improve the JORC definition of existing resources and the Exploration Target in addition to collecting metallurgical samples for Phase 3 testwork and the Pre-Feasibility Study.

A comparison of historical JORC versus average drilling grade is depicted in the table below:

Tailings Dam	Carbine Drilling Av. Grade	Historical JORC Grade
Mundic Gully	2.12 g/t Au	1.90 g/t Au
No 2 Mill	1.34 g/t Au	1.16 g/t Au
Shepherd's Gully	0.90 g/t Au	0.88 g/t Au

The intersected tailings were also found to have excellent continuity, with gold grades carried over the full width of intersection without barren zones.

The results of the drilling campaign including grade, location and widths of tailings intersected has provided encouragement of a potential increase in both the size and grade of current JORC resources.

Carbine has utilised the samples obtained from drilling to form representative composites for the completion of Phase 3 testwork at the Mount Morgan Project.

Fast Facts

Ordinary Shares

Shares on Issue 140M

Market Cap. & Cash

Mkt Cap. (at \$0.044)
\$6.2 million

Cash at 31 March 2015
\$3.9 million

Board of Directors

- Mr Patrick Walta
(Executive Director)
- Mr Evan Cranston
(Non-Executive Director)
- Mr Tom Bahen
(Non-Executive Director)

Company Highlights

- Developing the Mount Morgan Au/Cu Project
- Low all in sustaining costs (<US\$400/oz) projected
- PFS & Phase 3 testwork underway
- High grade drilling results
- Rights to the 1Mtpa Kundana CIP Plant
- Developing the Many Peaks Copper Project
- Access to a pipeline of future projects
- \$3.9M cash at bank



Details of the significant results from the drilling program are included in the table below:

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
2M97	18m	1.40 g/t
2M103	32m	1.38 g/t
2M106	4m	1.38 g/t
2M105	25m	1.37 g/t
2M93	17m	1.34 g/t
2M88	18m	1.29 g/t
2M83	5m	1.24 g/t
2M104	8m	1.02 g/t
DHN123	29m	0.98 g/t
DHN114	31m	0.90 g/t
DHN122	33m	0.86 g/t

The remainder of the drilling completed on site was used to test various areas of the Exploration Target and also to provide reconnaissance drilling to the Department of Natural Resources and Mines in areas outside of the mining leases. No significant tailings were intersected from these holes.

Principal Offtake Agreement for Pyrite from Mount Morgan

During the quarter, Carbine announced the execution of a conditional Principal Offtake Agreement (POA) with global industrial mineral distributor Talana Limited for the sales of pyrite produced at the Mount Morgan Gold & Copper Project.

The POA, which followed extensive negotiations, due diligence and a site visit by Talana, represents a significant milestone in the redevelopment of the historic Mount Morgan Mine.

The agreement allows for the sales of a third product from the proposed operations (in addition to gold and copper), which further improves the project value proposition and also facilitates the removal of the source of acid mine drainage from the site.

Under the terms of the POA, Carbine and Talana have agreed:

- Talana will pre-market pyrite and metallurgical slag products from Mount Morgan to existing and potential customers in its network





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- Talana will act as principal for pyrite and metallurgical slag sales from Mount Morgan
- Non-exclusive arrangement (Carbine free to engage other offtake partners)

The terms still to be finalised include, amongst other things, pricing, product and quantity. These terms are to be based on the following:

- Mine gate sales with open book to end user prices and logistics costs
- Pyrite: 200,000 - 300,000tpa, +/- 50% S concentrate, +/- US\$100/t CFR price
- Metallurgical Slag: Tonnage and prices to be confirmed following pre-marketing exercise

The offtake obligations will become binding after the following conditions have been satisfied:

- Talana completes a logistics and marketing study, and Talana and Carbine are both satisfied with the results of that study;
- Carbine completes a pre-feasibility study, and Talana and Carbine are both satisfied with the results of that study; and
- Talana and Carbine agree the definitive terms of the POA.

In parallel with the POA negotiations, the parties are also advancing negotiations for the:

- inclusion of copper products produced from the site into the POA;
- potential for Talana to supply discounted raw materials for the proposed operations; and
- development for a closer commercial relationship, including project financing options.

Talana Limited is a significant diversified global distributor, marketer and stockist of bulk industrial minerals, chemicals and raw materials. The company physically sources, finances, transports, stocks and distributes essential commodities to a range of industrial consumers globally.

Pyrite Offtake MOU

During the quarter Carbine also announced a second conditional agreement for future pyrite offtake development from the Mount Morgan Gold & Copper Project, initiated through a Memorandum of Understanding (MOU) with Jainson Labs India.

Jainson Labs India has been established for over 30 years and in this time has grown to become a global manufacturer and distributor of ferrous sulphide and sulfur products in China, India and Europe. The Company targets value-addition and distribution of these products into a range of industries and applications including steel manufacture, alloying, abrasives, pigments and fertilisers.

The MOU with Jainson will be used as a mechanism to develop formal offtake agreements for pyrite concentrate from Mount Morgan. The terms still to be finalised include, amongst other things, pricing, product and quantity. These terms are to be based on the following:

- FOB sales from the Port of Gladstone
- Production of 100,000 to 200,000tpa, +/- 50% S concentrate, +/- US\$100/t FOB price





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The MOU remains non-binding and non-exclusive until the parties have confirmed all terms and entered into formal agreements. The MOU may also be terminated by either party at any time and Carbine remains free to negotiate and enter into additional offtake agreements with third parties.

Phase 3 Testwork & Pre-Feasibility Study Kick Off

During the quarter, Carbine announced the initiation of a Pre-Feasibility Study (PFS) over the Mount Morgan Project. The PFS will utilise the results from Phase 3 testwork which utilised composites from the recently completed drilling campaign.

The PFS follows on from the successful completion of a Scoping Study over proposed operations at the Project, defining a minimum 8 year mine life at a processing capacity of 1Mtpa, producing 36,000oz/yr of gold at All-in Sustaining Costs of US\$393/oz. The Scoping Study also projected operations could deliver 850tpa of copper and 230,000tpa of high grade pyrite as by-products.

The Mount Morgan PFS will involve several technical partners, who were selected via a recently completed tender process:

- GR Engineering Services Limited (ASX: GNG) has been appointed as the lead consultant for the PFS and will principally be responsible for the delivery of process plant design in addition to capital and operating cost development, equipment lists and process flowsheets to an accuracy of +/- 20-25%;
- Clean TeQ Holdings Limited (ASX: CLQ) has been appointed as a technology provider responsible for designing the copper ion exchange circuit within the overall processing facility;
- Golder Associates Pty Ltd have been appointed to manage development of the new tailings storage facility, as well as complete various geotech/mine planning studies and a site water balance; and
- AustralAsian Resource Consultants Pty Ltd have been appointed to complete all environmental and cultural heritage aspects of the PFS.

Carbine estimates the results of the PFS will be available in Q3 2015.

Other Carbine Projects

Many Peaks Copper Project, Queensland

The Many Peaks Copper deposit is located approximately 125km south of Gladstone. The deposit previously produced over 500,000t of copper ore grading ~2% Cu.

Carbine is currently assessing historical drilling information for this project for completion of a desktop study.





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Ouahigouya Gold Project, Burkina Faso

Carbine's Ouahigouya Gold Project is located in an outlier of the Hounde Greenstone Belt in northwest Burkina Faso (West Africa) and consists of a contiguous land holding of 1,264km² comprising five granted exploration permits and two permit applications.

The permits are located on a major northeast trending crustal scale shear zone, the Ouahigouya Deformation Corridor. Numerous gold occurrences are located along this deformation corridor with a large number of major and minor artisanal fields currently being mined.

No field activities were carried out during the quarter. The Company continues to assess options for future development of these assets, including joint venture or divestment.

Corporate Activities

Key Personnel Appointment

During the quarter, the Company made a strategic appointment of an additional key member to the development team, Mr Russell Dann.

Russell has had a long association with the Mount Morgan Mine through various roles within the Queensland Government, including as Regional Director for the Department of Mines & Energy and most recently as Acting Manager for the Abandoned Mines Department which currently administers the mine site.

Russell will play a vital part in the ongoing development of Mount Morgan and in particular the continued building of productive relationships with local stakeholders and agreements with the Queensland Government for various project development incentives.

Russell is also a qualified geologist with over 30 years' experience through technical roles with companies such as RGC Ltd and Riversdale Resources Ltd.

The Sophisticated Investor Publication

During the quarter, Carbine announced the publication of a research report by The Sophisticated Investor (TSI), covering the Company and the Mount Morgan Gold & Copper Project.

The report, presented via a series of short videos, follows extensive due diligence and a site visit by the TSI team and covers both technical and commercial aspects of the proposed operations at Mount Morgan.

The report is available on the Investor page of Carbine's newly revamped website via the following link:

www.carbineresources.com.au

Carbine commissioned TSI to produce the report in order to better inform and educate investors about the Company and the potential of the Mount Morgan Gold & Copper Project.





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The report covers:

- Operational overviews of the Mount Morgan Gold & Copper Project
- Company valuation analysis
- Interviews with Carbine key management

Other

During the quarter, Carbine settled a minor statement of claim from former director and company secretary, Mr. Grant Mooney.

For further information, please contact:

Patrick Walta (Executive Director): +61 8 6142 0986

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. This was initially released to the ASX on 16 March 2015 and 20 April 2015 and has not materially changed since it was last reported.

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 released 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.





Appendix 1: JORC Resources & Exploration Target for the Mount Morgan Project

<i>JORC Resources</i> ^[1] <i>(Tailings)</i>	Tonnes (000s)	Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Indicated	2,487	1.59	0.16%	127,000	3,900
Inferred	5,861	1.07	0.14%	202,000	8,400
TOTAL JORC	8,348	1.23	0.15%	329,000	12,300
<i>Exploration Target</i> ^[2] <i>(Exclusive of JORC Resources)</i>	Tonnes (000s)	Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Tailings					
<i>(low range)</i>	2,900	1.45	0.13%	135,000	4,000
<i>(high range)</i>	3,280	1.66	0.18%	175,000	6,000
Mullock Dumps					
<i>(low range)</i>	1,750	1.69	0.11%	95,000	2,000
<i>(high range)</i>	2,500	2.00	0.15%	162,000	4,000
Metallurgical Slag					
<i>(low range)</i>	1,850	0.60	0.43%	36,000	8,000
<i>(high range)</i>	6,000	1.00	0.69%	193,000	41,000
Open Pit Tails					
<i>(low range)</i>	25,300	0.52	0.09%	423,000	23,000
<i>(high range)</i>	28,000	0.54	0.09%	486,000	25,000
TOTAL EXPLORATION TARGET					
<i>(low range)</i>	31,800	0.67	0.11%	690,000	36,500
<i>(high range)</i>	39,800	0.79	0.19%	1,015,000	76,500

Note: Rounding errors occur

^[1] Mineral Resources

The Indicated and Inferred Resources referred to above were presented by Norton Gold Fields Limited at the Mining 2009 Resource Convention (Brisbane). The presentation was released to the ASX on 28 October 2009 and is available for viewing on the Norton Gold Fields website (www.nortongoldfields.com.au). The resources were stated to have been prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Competent Person Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd. A competent person statement in relation to these Indicated and Inferred resources is included on the final page of this Announcement.

^[2] Exploration Target

Carbine has identified an Exploration Target at the site comprising low grade mullock dumps, slag dumps and retreated tailings from previous operations. In the Table above a range of approximate tonnage and grade has been compiled from extensive review of historic reports and studies by previous owners. Carbine has not yet completed any exploration activity on the Exploration Target. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The basis for the estimates of tonnage and grade include historic production records, various topographic and volume surveys, drilling by various methods, grab and channel sampling and small scale bulk sampling. Carbine proposes to further evaluate the Exploration Target during the next year by drilling and possible bulk testing to provide material for additional metallurgical test work and to verify tonnage and grade. A competent person statement in relation to this Exploration Target is included on the final page of this Announcement.



Appendix 2: Carbine's Tenement Interest

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2015:

Burkina Faso Permit	License Number	Interest
Nongodoum	11-213	100% Carbine
Magel	11-214	100% Carbine
Madougou	09-156	Option to Acquire 80%
Kandy	10-100	Option to Acquire 80%
Madougou 2	11-052	Option to Acquire 100%
Ingara	Application	100% Carbine
Siliga	Application	Option to Acquire 100%
Mount Morgan Tenements Queensland		
	ML5628	Option to Acquire 100%
	ML5613	Option to Acquire 100%
	ML5616	Option to Acquire 100%
	ML5660	Option to Acquire 100%
	ML5608	Option to Acquire 100%
	ML5617	Option to Acquire 100%
	ML5609	Option to Acquire 100%
	ML5619	Option to Acquire 100%
	ML5602	Option to Acquire 100%
	ML5618	Option to Acquire 100%
	ML5658	Option to Acquire 100%
	ML5635	Option to Acquire 100%
	ML5622	Option to Acquire 100%
	ML5620	Option to Acquire 100%
	ML5623	Option to Acquire 100%
	ML5627	Option to Acquire 100%
	ML5615	Option to Acquire 100%
	ML5589	Option to Acquire 100%
	ML5659	Option to Acquire 100%
	ML5634	Option to Acquire 100%
	ML5626	Option to Acquire 100%
	ML5633	Option to Acquire 100%
	ML5621	Option to Acquire 100%
	ML5624	Option to Acquire 100%
	ML5625	Option to Acquire 100%
	ML6692	Option to Acquire 100%





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ML5612	Option to Acquire 100%
ML5649	Option to Acquire 100%
ML5614	Option to Acquire 100%
ML5648	Option to Acquire 100%
Many Peaks Tenements Queensland	
ML3640	Option to Acquire 100%
ML3641	Option to Acquire 100%
MDL30	Option to Acquire 100%
EPM14918	Option to Acquire 100%

There were no mining tenements or interests in farm-in/farm-out agreements acquired or disposed of during the quarter.

