



CARBINE COMPLETES PHASE 3 OPTIMISATION TESTWORK & UPGRADES MOUNT MORGAN FLOWSHEET

HIGHLIGHTS:

- ◆ *Phase 3 testwork completed, with results exceeding expectations*
- ◆ *Optimised flowsheet provides potential to further reduce capex & opex*
- ◆ *21% increase in copper recovery via use of resin-in-leach*
- ◆ *Successful trial production of high value copper sulphate by-product*
- ◆ *Successful trial production of premium grade pyrite concentrate*
- ◆ *PFS results due for release in August 2015*

Carbine Resources Limited (Carbine) (ASX: CRB) is pleased to announce the results of Phase 3 metallurgical testwork for the Mount Morgan Gold & Copper Project.

The Phase 3 PFS testwork specifically targeted mechanisms to reduce plant capital and operating costs while still maintaining metal recoveries. The testwork has exceeded expectations, with the flowsheet improvements likely to have a positive effect on capital and operating cost metrics for the proposed future tailings operation.

The results of the testwork compare favourably with historical tailings reprocessing operations at Mount Morgan and also with the previous feasibility study completed by Norton Gold Fields Limited. Carbine is also pleased to note that the results comfortably validate the Scoping Study testwork, and in respect to copper recovery, have exceeded the previous testwork.

Metal Extraction	Historical Tailings Operation (1980 – 1991)	Norton Feasibility Study (2010)	Carbine Scoping Study Testwork (2014)	Carbine PFS Testwork (2015)
Gold	50 - 55%	65%	78%	76%
Pyrite	-	86%	91%	90%
Copper	-	-	56%	68%

Phase 3 testwork was completed with the use of samples acquired as part of Carbine's 2015 drilling program. The drilling samples were collected and blended into a representative composite samples for each individual tailings dam, allowing the flowsheet to be tested individually on all tailings ores.



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Approximately two tonnes of Mount Morgan tailings material has undergone independent metallurgical testing since Carbine acquired the project in April 2014, including over one tonne of fresh sample tested under the optimised flowsheet during the Phase 3 program.

Optimised Mount Morgan Flowsheet

Figure 1 below depicts the optimised flowsheet following completion of Phase 3 testing. In comparison to Carbine's Scoping Study flowsheet (October 2014), the PFS flowsheet allows for:

- an upgrading of feed ore and capital reduction via the upfront rejection of poorly mineralised coarse material;
- a general reduction in circuit complexity and capital costs via the minimisation of unit processes within the acidic section of the circuit (i.e. the copper leaching circuit);
- 21% increase in recovery of copper from the tailings and a reduction in copper extraction capital costs via the use of resin-in-leach;
- production of more valuable copper sulphate compared to cathode, providing a premium sales price and removal of the need for construction of an electrowinning facility; and
- the maintaining of low reagent consumptions achieved in the Scoping Study.

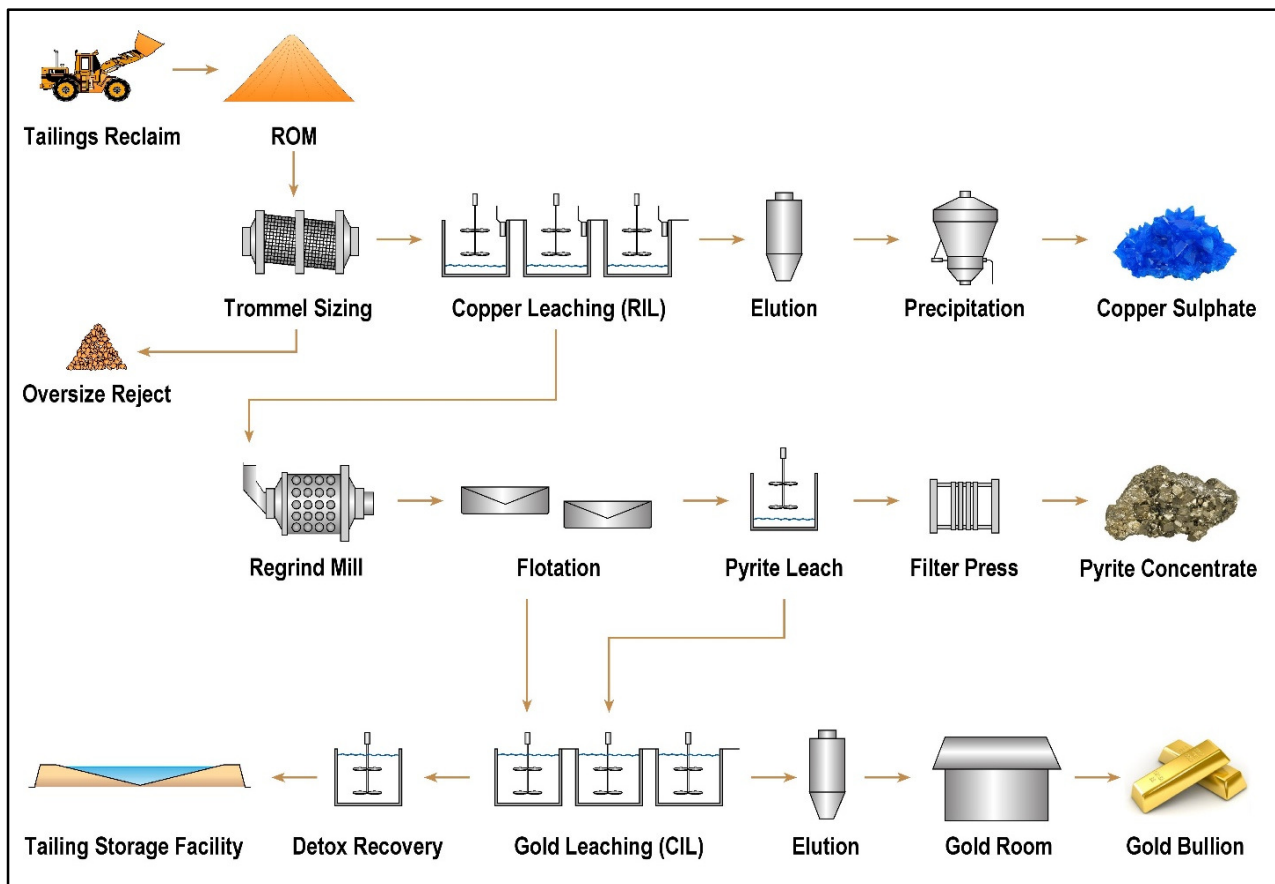


Figure 1: Optimised flowsheet for the Mount Morgan Project

ABN 81 122 976 818

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

Suite 23, 513 Hay Street
Subiaco WA 6008
PO Box 1311 Subiaco WA 6904
phone +61 8 6142 0980
fax +61 8 9388 8824



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Carbine is now utilising the inputs from the Phase 3 testwork as part of the PFS, which is due for release in August. Following completion of the PFS, the Company plans to assess the potential for early stage project financing, in addition to progressing with a DFS and in-fill drilling program.

Testwork Program Overview

The purpose of the Mount Morgan testwork program is to progressively build a robust flowsheet that can process tailings at the historical mine and also:

- reduce historical operating costs associated with excess cyanide consumption;
- improve gold recoveries compared to historical operational performance;
- provide an additional revenue stream via the production of copper; and
- assist with site remediation via elimination of acid forming minerals within the tailings.

The Mount Morgan testwork program has been split into three phases, namely:

- Phase 1: Confirmation of technical viability of Carbine's proposed flowsheet
- Phase 2: Flowsheet optimisation and bulk testing, providing inputs for the Scoping Study
- Phase 3: Further optimisation and testing on bulk fresh sample, providing inputs for the PFS

About Carbine Resources

Carbine Resources (ASX: CRB) is an Australian resource company targeting near term production from its Mount Morgan Gold & Copper Project.

The Project is located on 677.5 hectares of mining leases on the outskirts of the historic mining town of Mount Morgan, Queensland.

Carbine's Scoping Study over proposed operations at the Project defined 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 operations are also projected to deliver 850tpa of copper and 230,000tpa of high grade pyrite as by-products.

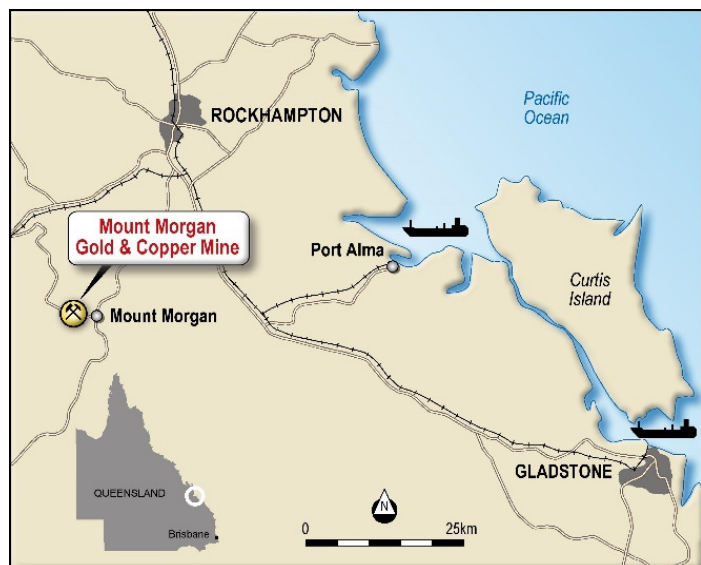


Figure 2: Location of the Mount Morgan Project

For further information, please contact:

Patrick Walta – Executive Director (08) 6142 0986