



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2015

CORPORATE DIRECTORY

Directors	Mr Tom Bahen Mr Evan Cranston Mr Stephen Dobson Mr Patrick Walta	(Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Executive Director)
Company Secretary	Ms Oonagh Malone	
Principal & Registered Office	Suite 23, 513 Hay Street Subiaco, WA 6008 Telephone: Facsimile: Email:	(08) 6142 0986 (08) 9388 8824 admin@carbineresources.com.au
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: Facsimile:	(08) 9315 2333 (08) 9315 2233
Auditor	Stantons International 2/1 Walker Avenue West Perth WA 6005	
Legal Advisor	Bellanhouse Legal Ground Floor, 11 Ventnor Avenue West Perth WA 6005 Telephone:	(08) 6355 6888
ASX Code	CRB	

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited and the entities it controlled ("the Group" or "Carbine") at the end of, or during, the half-year ended 30 June 2015.

DIRECTORS

The name of Directors who held office during or since the end of the half-year and until the date of this report period is set out below. Directors were in office for the entire period unless otherwise stated.

Mr Tom Bahen	Non-Executive Director	
Mr Evan Cranston	Non-Executive Director	
Mr Stephen Dobson	Non-Executive Director	(Appointed 7 July 2015)
Mr Patrick Walta	Executive Director	

REVIEW OF OPERATIONS

The loss for the half-year after income tax was \$1,303,253 (30 June 2014: \$435,416 loss).

Exploration Activities

On 3 April 2014, Carbine announced that it had entered an agreement to acquire the Mount Morgan Gold & Copper Project in Queensland. The historic Mount Morgan Mine is 38km from Rockhampton on the central Queensland coast. Mining operations at Mount Morgan spanned nearly 100 years, producing 8.4Moz of gold, 400,000t of copper and 1.2Moz of silver from approximately 50Mt of ore. The operations produced substantial tailings resources which remain on the mining leases. The Queensland Department of Natural Resources and Mines holds all environmental liabilities associated with the current status and legacy of the Mount Morgan Mine and surface tailings. Carbine is assessing the potential for restarting tailings operations at Mount Morgan to economically recover gold, copper and pyrite resources.

During the half year ended 30 June 2015, the Company undertook exploration work including drilling, metallurgical testing and desktop studies. Subsequent to the half year, the Company was pleased to announce the completion of a successful pre-feasibility study (PFS) on the Mount Morgan Project (see ASX: 13 August 2015). The PFS confirmed a low-cost multi-product operation with All-in Sustaining Costs of US\$234/oz for a minimum eight year mine life. The PFS is based on the current JORC resources leaving scope for further improvement as the Company undertakes drilling to target exploration potential at the Project.

SUBSEQUENT EVENTS

Subsequent to the reporting period:

- On 7 July 2015, 2,500,000 unlisted share options exercisable at \$0.065 each on or before 7 July 2018 and 2,500,000 unlisted share options exercisable at \$0.10 each on or before 7 July 2018, were issued.
- On 7 July 2015, Mr Stephen Dobson was appointed to the position of Non-Executive Director.
- On 15 July 2015, the Company announced receipt of \$511,308 as part of the Australian Taxation Office's Research and Development Tax Incentive (R&D rebate) Program. No amount has been recognised for this at 30 June 2015 as it did not meet the recognition criteria for a financial asset at that date.
- On 1 September 2015, the Company was issued with 10,000,000 unlisted share options in Boss Resources Limited (ASX: BOE) exercisable at \$0.02 per share on or before 31 August 2018. This was in consideration for the Company providing a guarantee in the amount of \$2.442 million to be released on completion of a rights issue by Boss Resources Ltd which is expected to complete in October 2015.

There were no other events subsequent to the end of the half year ended 30 June 2015 that would have a material effect on these financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this half-year financial statement.

Dated at Perth this 11th day of September 2015.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Patrick Walta', written in a cursive style.

Patrick Walta
Executive Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 30 JUNE 2015**

		CONSOLIDATED HALF-YEAR	
	Notes	30 June 2015	30 June 2014
		\$	\$
Revenue from continuing operations		53,367	94,490
Other Income		5,589	-
Exploration & evaluation costs	2	(858,496)	(198,921)
Depreciation		(15,256)	(23,528)
Employee, director and consultant expenses		(173,072)	(162,053)
General and administration expenses		(314,372)	(143,005)
Impairment of receivable	3	(1,013)	(2,399)
Loss before income tax expense		(1,303,253)	(435,416)
Income Tax Expense		-	-
Loss after income tax from continuing operations attributable to members of Carbine Resources Limited		(1,303,253)	(435,416)
Loss attributable to members of Carbine Resources Limited		(1,303,253)	(453,416)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		(1,495)	(4,062)
Total other comprehensive (loss) / income		(1,495)	(4,062)
Total comprehensive loss attributable to members of Carbine Resources Limited		(1,304,748)	(439,478)
Loss per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.93)	(0.31)
Diluted loss per share		(0.93)	(0.31)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		CONSOLIDATED	
	Notes	30 June 2015	31 December 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,117,262	4,184,803
Trade and other receivables	3	44,130	38,450
Other current assets		24,054	16,811
TOTAL CURRENT ASSETS		3,185,446	4,240,064
NON-CURRENT ASSETS			
Financial assets		50,000	50,000
Plant and equipment	4	1,228	17,082
Exploration and evaluation expenditure	2	-	-
TOTAL NON-CURRENT ASSETS		51,228	67,082
TOTAL ASSETS		3,236,674	4,307,146
CURRENT LIABILITIES			
Trade and other payables		335,754	101,478
TOTAL CURRENT LIABILITIES		335,754	101,478
TOTAL LIABILITIES		335,754	101,478
NET ASSETS		2,900,920	4,205,668
EQUITY			
Issued Capital	5	22,636,442	22,636,442
Reserves		2,754,395	2,755,890
Accumulated losses		(22,489,917)	(21,186,664)
TOTAL EQUITY		2,900,920	4,205,668

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 30 JUNE 2015**

	CONSOLIDATED				
	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Balance at 1 January 2015	22,636,442	(21,186,664)	2,513,228	242,662	4,205,668
Total comprehensive income/(loss) for the half year	-	(1,303,253)	-	-	(1,303,253)
Exchange difference on translation of foreign operations	-	-	-	(1,495)	(1,495)
Total comprehensive income/(loss) for the year	-	(1,303,253)	-	(1,495)	(1,304,748)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	-	-
	-	-	-	-	-
Balance at 30 June 2015	22,636,442	(22,489,917)	2,513,228	241,167	2,900,920

	CONSOLIDATED				
	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Balance at 1 January 2014	22,636,442	(19,786,014)	2,357,728	246,129	5,454,285
Total comprehensive income/(loss) for the half year	-	(435,416)	-	-	(435,416)
Exchange difference on translation of foreign operations	-	-	-	(4,062)	(4,062)
Total comprehensive income/(loss) for the year	-	(435,416)	-	(4,062)	(439,478)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	-	-
	-	-	-	-	-
Balance at 30 June 2014	22,636,442	(20,221,430)	2,357,728	242,067	5,014,807

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2015**

	CONSOLIDATED HALF-YEAR	
	30 June 2015	30 June 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(381,552)	(191,671)
Exploration expenditure, prospects, management fees	(755,741)	(291,542)
Interest received	64,631	115,153
Net cash (outflow) from operating activities	(1,072,662)	(368,060)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	5,589	-
Net cash inflow from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of capital raising costs	-	-
Net cash inflow from financing activities	-	-
Net (decrease) in cash and cash equivalents held	(1,067,073)	(368,060)
Cash and cash equivalents at the beginning of the period	4,184,803	5,308,154
Differences in foreign exchange	(468)	(1,241)
Cash and cash equivalents at the end of the period	3,117,262	4,938,853

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

These general purpose interim financial statements of Carbine Resources Limited and its controlled entity (the Group) for the half-year reporting period ended 30 June 2015 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors on 11th September 2015. Carbine Resources Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The interim financial statements do not include all notes of the type normally included within the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Carbine Resources Limited during the interim financial reporting period in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

For the purpose of preparing these half-year financial statements, the half-year has been treated as a discrete reporting period.

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed below:

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2015 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

2. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	30 June 2015	30 June 2014
	\$	\$
Exploration and evaluation expenditure during the half year	858,496	198,921
Exploration and evaluation costs expensed	(858,496)	(198,921)
Total exploration and evaluation	-	-

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2015

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 June 2015	31 December 2014
	\$	\$
Current		
Net GST refundable	30,500	13,488
VAT receivable	865,465	879,804
Opening balance of impairment of VAT receivable	(879,804)	(911,896)
Decrease in impairment of VAT (note a)	14,339	32,092
Other receivable	13,630	24,962
	44,130	38,450

a. Impaired VAT Receivable

As at 30 June 2015 the Group had VAT receivable in Burkina Faso of \$865,465 (2014: \$879,804). The VAT is recoverable against generation of revenue for which the Group would be required to remit VAT. The Group determined that at this stage of exploration it was not yet probable that it would generate this revenue and the whole of the VAT receivable has been treated as impaired. The decrease in the impairment of VAT receivable of \$14,339 (2014: decrease of \$32,092) includes \$15,352 (2014: \$35,260) caused by exchange differences on translation of foreign operations less an increase in the amount receivable in the functional currency of the local operations of \$1,013 (2014: increase of \$3,168) that has been recognised as an expense in profit or loss. No other receivables are past due or impaired.

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the total mentioned above.

4. PLANT AND EQUIPMENT

	CONSOLIDATED	
	30 June 2015	31 December 2014
	\$	\$
Opening net book value	17,082	61,037
Additions	-	1,415
Foreign exchange	(598)	(2,283)
Depreciation charge for the period	(15,256)	(43,087)
Disposals	-	-
Closing net book value	1,228	17,082
Cost	68,216	173,559
Accumulated depreciation and impairment	(66,988)	(156,477)
Net book value	1,228	17,082

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2015

5. ISSUED CAPITAL

	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	No. of Shares	No. of Shares	\$	\$
<i>(a) Ordinary Shares fully paid</i>				
Balance at beginning of period	140,017,394	140,017,394	22,636,442	22,636,442
Issue of shares	-	-	-	-
Cost of capital raising	-	-	-	-
Balance at end of period	140,017,394	140,017,394	22,636,442	22,636,442

	30 June 2015	31 December 2014
	No. of Options	No. of Options
<i>(b) Unlisted Options</i>		
Balance at beginning of period	28,000,000	8,425,000
Options granted in the period	-	20,000,000
Options exercised	-	-
Options expired	-	(425,000)
Options lapsed or cancelled on failure to vest	-	-
	28,000,000	28,000,000

6. SEGMENT INFORMATION

	Australia	West Africa	Reconciling items	Total
	\$	\$	\$	\$
30 June 2015				
Total segment revenue	53,367	-	-	53,367
Inter segment revenue	-	-	-	-
External revenue	53,367	-	-	53,367
Segment loss	(1,272,712)	(30,541)	-	(1,303,253)
30 June 2014				
Total segment revenue	94,490	-	-	94,490
Inter segment revenue	-	-	-	-
External revenue	94,490	-	-	94,490
Segment loss	(381,402)	(54,014)	-	(435,416)
Segment assets				
	\$	\$		\$
30 June 2015	3,212,730	23,944	-	3,236,674
31 December 2014	4,259,958	47,188	-	4,307,146

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2015

7. CONTINGENCIES

The Group had no contingent assets as at 30 June 2015 (31 December 2014: None). The Group's contingent liabilities are as detailed below.

At 31 December 2014, the Company had an outstanding legal claim of \$143,063 from former director Mr Grant Mooney. On 10 March 2015 the Company agreed to a settlement of \$15,000 to Mr Mooney, in full unconditional settlement of legal proceedings commenced by Mr Mooney, with no admission of liability by the Company.

At 30 June 2015 and 31 December 2014, the Company has an earn-in agreement with Raging Bull Mining Pty Ltd (Raging Bull) to progressively acquire Raging Bull Metals Pty Ltd (RBM) as announced on 3 April 2014. The completion of the agreed transaction is subject to technical due diligence by the Group.

Under this agreement, the Group is:

- solely funding the Project to completion of a Bankable Feasibility Study (BFS) earning an initial 75% interest; and
- executing an option to acquire the remaining 25% of RBM via independent valuation.

RBM, a wholly owned subsidiary of Raging Bull, holds an agreement with Norton Gold Fields Ltd (Norton) to acquire the Project. The Project is a 100% interest in the Mount Morgan Au/Cu Mine and 1Mtpa Kundana CIP Plant.

RBM's agreement with Norton for acquisition of the Project required:

- payment to Norton of \$100,000 on completion of due diligence, which was paid during 2014, \$100,000 that was paid on execution of the formal agreement in 2014 and \$300,000 that was paid in July 2015;
- completion of a BFS on the project;
- payment to Norton of \$2,000,000 on completion of a capital raising following the BFS; and
- a final payment to Norton of a total \$13,000,000 via 20% of the annual net earnings from operation of the project.

8. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting period:

- On 7 July 2015, 2,500,000 unlisted share options exercisable at \$0.065 each on or before 7 July 2018 and 2,500,000 unlisted share options exercisable at \$0.10 each on or before 7 July 2018, were issued.
- On 7 July 2015, Mr Stephen Dobson was appointed to the position of Non-Executive Director.
- On 15 July 2015, the Company announced receipt of \$511,308 as part of the Australian Taxation Office's Research and Development Tax Incentive (R&D rebate) Program. No amount has been recognised for this at 30 June 2015 as it did not meet the recognition criteria for a financial asset as at that date.
- On 1 September 2015, the Company was issued with 10,000,000 unlisted share options in Boss Resources Limited (ASX: BOE) exercisable at \$0.02 per share on or before 31 August 2018. This was in consideration for the Company providing a guarantee in the amount of \$2.442 million to be released on completion of a rights issue by Boss Resources Ltd which is expected to complete in October 2015.

There were no other events subsequent to the end of the half year ended 30 June 2015 that would have a material effect on these financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbine Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Patrick Walta
Executive Director

Dated at Perth this 11th day of September 2015

11 September 2015

The Directors

Carbine Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008

Dear Sirs

RE: CARBINE RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Carbine Resources Limited.

As Audit Director for the review of the financial statements of Carbine Resources Limited for the period ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CARBINE RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carbine Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Carbine Resources Limited (the consolidated entity). The consolidated entity comprises both Carbine Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Carbine Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Carbine Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Carbine Resources Limited on 11 September 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Carbine Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
11 September 2015