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ASX / MEDIA ANNOUNCEMENT **9 May 2016**

Strong maiden infill drilling results support strategy to develop extremely low-cost gold project at Mount Morgan

Assays demonstrate grade consistency within the tailings, paving way for resource upgrade as part of definitive feasibility study underway

Highlights

- **First assays from the infill drilling program at the Mount Morgan tailings treatment project highlight strong potential for resource upgrade, which will in turn enhance Definitive Feasibility Study**
- **Results from the infill drilling within the existing Inferred Mineral Resource boundary at the No 2 Mill Tailings Dump include:**
  - **28m at 1.34g/t gold and 0.15% copper from 3m in 2ML022**
  - **16m at 1.39g/t gold and 0.15% copper from 12m in 2ML021**
  - **18m at 1.26g/t gold and 0.13% copper from 2m in 2ML015**
  - **17m at 1.21g/t gold and 0.15% copper from 7m in 2ML016**
- **Drilling at No 2 Mill Tailings Dump has also confirmed additional tailings located outside the existing Mineral Resource**
- **The current drilling program has been completed at the No 2 Mill, Shepherds and Mundic Tailings Dumps with assays now awaited; drilling is continuing at the Red Oxide Dump**

Carbine Resources Limited (ASX:CRB) is pleased to announce that its strategy to develop a low-cost gold project at Mount Morgan in Queensland is well on track, with the infill drilling program returning strong initial results.

Assays from the first nine holes contain grades which are consistent with the previously stated Inferred Mineral Resource.

The assays come from the No 2 Mill Tailings Dump, which is one of several tailings dumps which comprise the Mount Morgan gold-copper tailings treatment project.

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The drilling has also identified possible extensions of the No 2 Mill Tailings Dump to the south-west. The assays from the holes which will confirm the possible extension to the south-west are awaited.

The current infill drilling program at Mount Morgan commenced in March 2016. The program is designed to upgrade the existing Mineral Resources from the Inferred to the Indicated category and to test some of the previously nominated Exploration Targets. The drilling samples will also be stored for use in any ongoing metallurgical optimisation test work associated with the project. To date, 141 holes have been completed and the program will be finished in May.

The project currently has a total Mineral Resource base of 8.4 million tonnes at 1.23gpt gold and 0.15 per cent copper for 329,000 ounces of gold and 12,300 tonnes of copper (see Table 3, Norton Gold Fields Limited ASX announcement 28 October, 2009).

The No 2 Mill Tailings Dump has a total Mineral Resource of 2.4Mt at 1.16g/t gold, including 1.3Mt at 1.16g/t gold in the Indicated Resource Category and 1.1Mt at 1.17g/t gold in the Inferred Resource Category. A total of 47 drill holes have been completed at the No 2 Mill tailings dump.

Assay results have been returned from the first nine holes, all of which lie within the current Inferred Mineral Resource Boundary. Results to date confirm the continuity of the tailings and the tonnage and grade of the current resource. All assay results and drill hole information is summarised in Table 1 and Table 2 and pictorially in plan view in Figure 1.

Two cross sections indicating the new drilling across the No 2 Mill tailings dump are shown in Figure 2 and Figure 3. The cross section in Figure 2 also highlights a possible south-westerly extension to the identified tailings outside the No 2 Mill resource boundary (and as identified by 'exploration target' in Figure 1). Assay results from these extension drill holes are still awaited.

Table 1: Assay Results Summary (True width approximates down hole width)

HOLE ID	FROM (m)	TO (m)	INTERCEPT (m)	GOLD (g/t)	COPPER (%)	IRON (%)	SULPHUR (%)	SILVER (g/t)
2ML012	1	3	2	1.39	0.12	13.9	13.3	0.9
2ML014	7	23	16	1.11	0.14	15.3	15.4	1.0
2ML015	2	20	18	1.26	0.13	16.2	16.2	1.2
2ML016	7	24	17	1.21	0.15	15.4	15.7	1.2
2ML021	12	28	16	1.39	0.15	14.9	13.8	1.3
2ML022	3	31	28	1.34	0.15	16.6	17.1	1.2
2ML029	8	22	14	1.16	0.14	14.8	14.6	1.0
2ML033	1	8	7	0.91	0.07	13.2	9.9	0.9
2ML044	3	6	3	1.03	0.08	12.9	9.9	1.0

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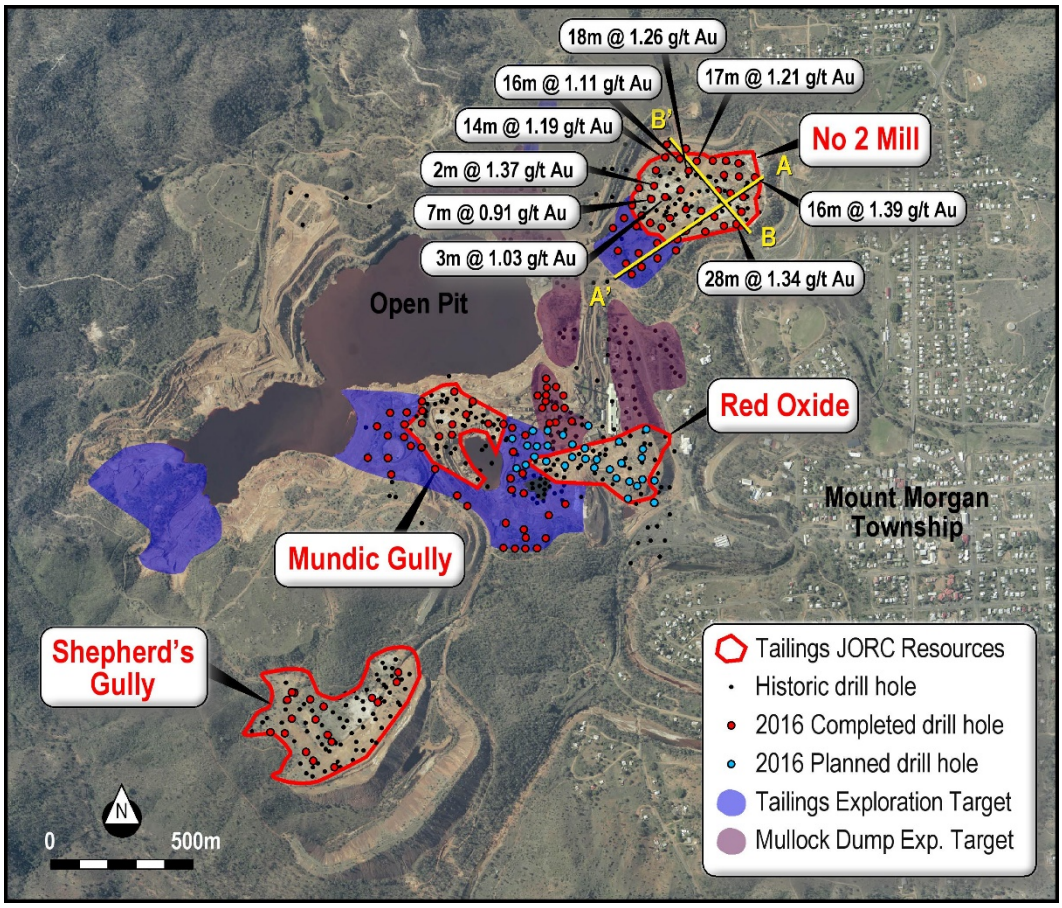

Figure 1: Planned and completed drill holes at Mount Morgan indicating assay results received (Plan view with cross section references A-A' and B-B')

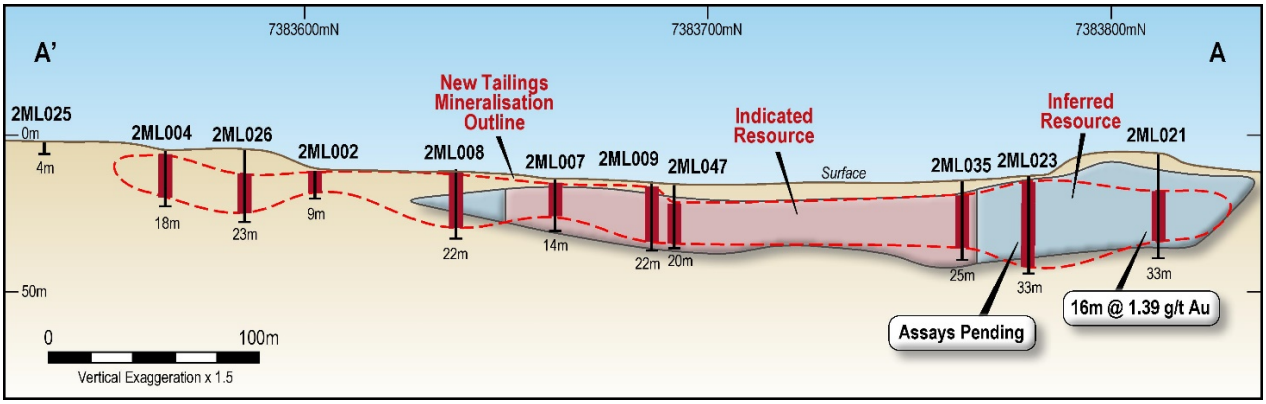

Figure 2. Oblique Cross Section A-A' at No2 Mill Tailings
Thickness of tailings as intersected in recent Carbine Resources drill holes is shown in red on the drill traces. Assay results are pending for all holes except 2ML021. The current Indicated Resource boundary is shown in red and the Inferred Resource boundary in blue. Note possible new tailings intersected outside of the resource boundary to the left (southwest) of this section. Section exaggerated 1.5 times vertically for visualisation purposes.

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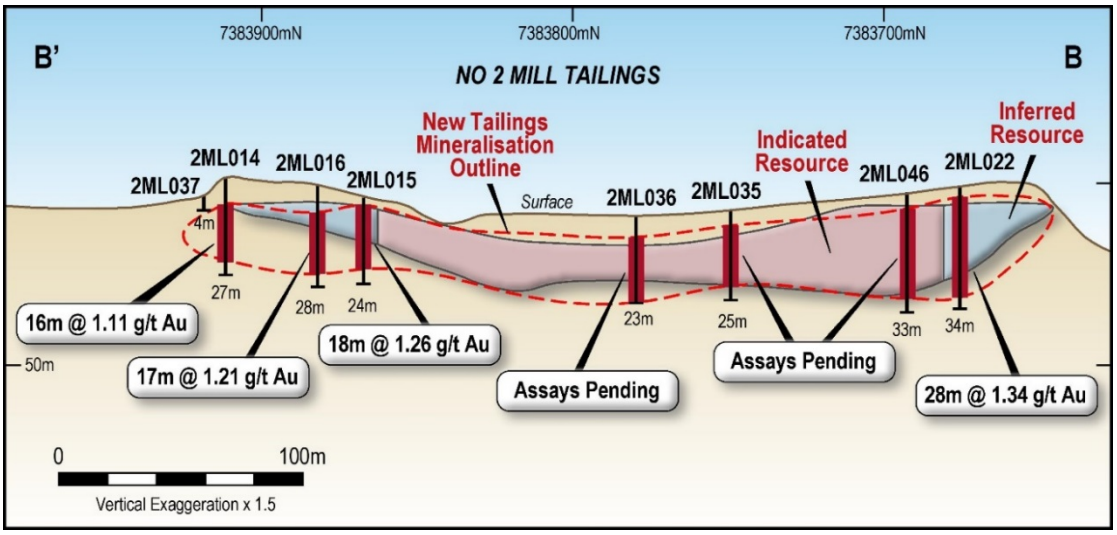

Figure 3: Cross Section B-B' at No 2 Mill Tailings.
Assay results returned from the recent Carbine Resources drill program. The current Indicated Resource boundary is shown in red and the Inferred Resource boundary in blue. Note the thicker tailings intersected in drilling from within the Inferred Resource boundary. Section exaggerated 1.5 times vertically for visualisation purposes.

Table 2: Drilling Summary

HOLE ID	PROSPECT	EAST	NORTH	RL	Dip	EOH DEPTH
2ML012	No2 Mill	232591	7383807	257	-90	7
2ML014	No2 Mill	232681	7383901	262	-90	27
2ML015	No2 Mill	232713	7383860	257	-90	24
2ML016	No2 Mill	232740	7383893	261	-90	28
2ML021	No2 Mill	232944	7383837	261	-90	33
2ML022	No2 Mill	232879	7383674	261	-90	34
2ML029	No2 Mill	232629	7383906	262	-90	25
2ML033	No2 Mill	232582	7383761	255	-90	11
2ML044	No2 Mill	232630	7383769	253	-90	11

Table 3: Mount Morgan Tailings JORC 2004 Resource Table
(Norton Gold Fields Limited ASX announcement 28 October, 2009)

DEPOSIT	CATEGORY	TONNES (kt)	GRADE (g/t)	OUNCES (koz)
No2 Mill	Indicated	1,264	1.16	47
	Inferred	1,099	1.17	41
Mundic	Indicated	833	1.93	52
	Inferred	357	1.82	21
Red Oxide	Indicated	390	2.23	28
	Inferred	445	2.15	31
Shepherds	Indicated	-	-	-
	Inferred	3,960	0.86	106
Total		8,348	1.23	326

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Further assay results will be reported as they become available.

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Competent Person Statement

The information in this report that relates to the Exploration Results is based upon information compiled by Mr Trevor Pilcher, who is a consultant of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr Pilcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Pilcher consents to the inclusion in this report of the matters based on his 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 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.

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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.*	Drilling was completed by a Universal RC/Diamond drill rig (UDR650) equipped to collect full sample through cyclone or alternatively by PQ triple tube coring. Hole diameter 4.75 inches in the case of RC and PQTT (83mm). All the drilling reported in this announcement was RC. Samples are collected regularly, at 1m intervals.
	☐*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Drilling is vertical, which is optimal for flat lying tailings mineralization. 1m samples are well suited for estimation of resources for the mineralised tailings
	☐ *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 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 and sampling procedures were performed using above industry standard techniques and equipment. 1m samples were collected in total with average sample size around 20kg and transported in its entirety to Preplab at Rockhampton. The split of the sample was obtained in the initial sample preparation stage following drying of entire sample, crushing to 2mm and rotary splitting to 2 x 3kg split and duplicate. Entire subsample (3kg) is pulverised using LM5 pulveriser requiring manual feeding. Sampling protocol is based on sampling nomogram constructed using theoretically deduced fundamental sampling error.

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).*	Universal RC/diamond drill rig. UDR650 model, Mounted on 6X6 Truck. Hole diameter 4.75 inch for RC and PQTT triple tube for core holes. Coring was preferred where tailings were unconsolidated and overly soft for effective collection by RC technique. All the reported assay results in this announcement are RC samples.
Drill sample recovery (1.3.)	☐*Method of recording and assessing core and chip sample recoveries and results assessed.*	Obtained samples were weighed in the preparation laboratory in Rockhampton which was used as non-direct control for possible sample loss.
	☐*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 by collection and processing of the entire sample.
	☐ *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.*	No bias is expected as tails mineralization is relatively uniform in nature.
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.*	Geological logging concentrated on the diagnostic of tailing materials. Tails had to be logged separate from the surficial material, which was classified as either 'mixed', mullock waste rock, subsurface gravels, or basement rocks.
	☐ *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 were logged
Sub-sampling techniques and sample preparation (1.5.)	☐ *If core, whether cut or sawn and whether quarter, half or all core taken*	Where applicable, Full PQ core samples were collected, after being photographed after extraction.
	☐ *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	RC samples were collected in entirety to be subsequently dried, crushed and split by rotary splitting into 3kg sub-samples for assay.
	☐ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Initial sample preparation involving drying, crushing and rotary splitting was undertaken by Preplab of Rockhampton. 3kg splits were freighted to ALS Townsville for remaining preparation

		following the standard post-crushing preparation technique. Samples (3kg) are pulverised using LM5 pulveriser requiring 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.*	For all subsampling stages, duplicate samples are collected and analysed. Namely, these coarse field duplicates (5-7%) after first splitting make 2mm size fraction, and pulp duplicates (>3%) after entire collected subsample is pulverized. QA/QC procedures also include using standard samples and blanks.
	☐ *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 have been incorporated into the entire drill program. No twin holes are present from the drill holes in this announcement.
	☐ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample size is 20kg. Further subsampling is made strictly following optimal sampling protocols. According to estimates, this will achieve precision error less than 10% which is considered excellent for gold mineralisation.
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. Cu, Ag, Fe and S have been analysed by ICP-AES by ALS Townsville by method ME-ICP41 (post aqua regia digestion) to determine levels of chalcopyrite and pyrite. Detection limits are Ag-0.2ppm; Cu-1ppm; Fe- 0.01% and S- 0.01%. Sulphur results >10%S have lower accuracy and precision. Total sulphur and sulphide-sulphur by

		LECO analysis will be conducted on several holes to validate the ICP S results.
	☐ *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. Pulp duplicates have been assayed in the current program showing the excellent repeatability of the assay results. Standards and blanks are incorporated into batches at greater than one standard or blank per 10 samples. One blank sample returned outside accepted tolerances and is being further investigated.
Verification of sampling and assaying (1.7.)	☐ *The verification of significant intersections by either independent or alternative company personnel.*	Verification of all results will be undertaken at various phases of the drilling by the Geology Manager – Carbine.
	☐*The use of twinned holes.*	Twin holes have been planned in the entire drill program.
	☐ *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 a special folder created on the Carbine Resources Server
	☐ *Discuss any adjustment to assay data.*	No adjustments were needed. Assay results are reported as 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.*	All hole collars were surveyed in MGA94 Zone 56 grid using differential GPS.

	☐ *Specification of the grid system used.*	MGA94 Zone 56 grid
	☐ *Quality and adequacy of topographic control.*	Topographic surface prepared from detailed ground and mine surveys
Data spacing and distribution (1.9.)	☐ *Data spacing for reporting of Exploration Results.*	Distance between drill holes is approximately 50m (Figures 1-3) which is sufficient for accurately reporting the Exploration Results and likely sufficient for estimation of Indicated 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 of Indicated Resources. The purpose of this drilling is to convert Inferred to Indicated Resources.
	☐ *Whether sample compositing has been applied.*	No sample compositing has been applied. All samples assayed by 1m intervals.
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 which provides the best possible intersection to the flat lying mineralised tailings.
	☐ *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 90 degrees.
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

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

(Reporting of Exploration Results)

Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
Mineral tenement and land tenure status (2.1)	☐*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.*	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 into a JV agreement with Norton Gold Fields Limited. There is no known native title related restrictions nor known environmental or social obstructions.
	☐ *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.*	All MLs expire on the 31/08/2025
Exploration done by other parties (2.2)	☐ *Acknowledgment and appraisal of exploration by other parties.*	The tailings have been deposited from over a hundred years of mining and processing. In-pit tailings have been historically processed in the 1980's. Several parties have explored and tested the remaining untreated tails over the last twenty years. Most recently (2009) Norton Gold Fields Limited completed preliminary due diligence of treating the tails mineralization, however the tailings were only partially drill tested and the economic significance was not fully assessed.
Geology (2.3)	☐*Deposit type, geological setting and style of mineralisation.*	The historic tailings from the processing of primary and oxide gold-copper ores from the Mount Morgan mine
Drill hole Information (2.4)	☐ *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.*	All relevant data is reported in the tables of the ASX announcement
	☐*Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*	All relevant data is reported in the tables of the ASX announcement
	☐*dip and azimuth of the hole.*	All relevant data is reported in the tables of the ASX announcement
	☐ *down hole length and interception depth*	All relevant data is reported in the tables of the ASX announcement
	☐*hole length.*	All relevant data is reported in the tables of the ASX announcement
	☐ *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.*	All relevant data is reported in the tables of the ASX announcement
	☐*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.*	No exclusions have been made
Data aggregation methods (2.5)	☐ *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.*	Intersection grade is estimated as arithmetic mean, no weighting was applied because all samples were 1m long and composed of the same material (i.e. tailings). The entire intersection of tailings is reported only, and is not extended to incorporate mineralised basement or overlying waste rock. High grade cut off was not needed because distribution of the gold grade is relatively uniform. Grade changes in the narrow range from ~0.5-5 g/t.
	☐ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable

	☐ *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.*	Not applicable
Relationship between mineralisation widths and intercept lengths (2.6)	☐ *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').*	Tailings occur as a flatbed filling the topographic depression, therefore geometry of mineralisation is well understood. Drill holes are drilled vertical which provides the optimal intersection at right angle to the mineralisation plane with downhole width estimating true width. The entire intersection of tailings is reported only, and is not extended to incorporate mineralised basement or overlying waste rock.
	☐ *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.*	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)	☐ *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.*	See Figures within the ASX announcement
Balanced reporting (2.8)	☐ *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*	All assay results received that pertain to tailings are presented.

	characteristics; potential deleterious or contaminating substances.	
Other substantive exploration data (2.9)	☐ *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Not applicable
Further work (2.10)	☐ *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	These results represent the first assay results from a 5000m drill program still in progress (see Figure 1). Further exploration for mineralized tailings and historic mineralized waste dumps will be ongoing in future exploration programs.
		Figure 1 highlights the key exploration target areas for both mineralized tailings and historic mineralized waste dumps.