



CARBINE RESOURCES
LIMITED

21 July 2016

Sebastian Bednarczyk
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Sebastian,

Response to ASX Aware Query

We refer to your letter dated 18 July 2016 and respond as follows:

1. Does the Entity consider the Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes.

2. If the answer to question 1 is "no", please advise the basis for that view.

Not applicable.

3. If the answer to question 1 is "yes", when did the Entity first become aware of the Results (or any part of them)?

The Company received the raw data of the Results during the course of Wednesday 6th July 2016 by email from ALS Minerals to the Geology Manager.

4. If the answer to question 1 is "yes" and the Entity first became aware of the Results prior to the release of the Announcement, did the Entity make any announcement prior to the release of the Announcement which disclosed the Results (or any part of them)? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

The infill drilling program from which the Results derive was being undertaken predominantly for the purpose of upgrading the existing inferred resources and exploration targets of the tailings dump at the Mount Morgan Project to higher JORC Mineral Resource classification categories. Following the announcement to the ASX dated 2 March 2016 advising the market of the commencement of the drill program, the Company periodically released announcements regarding the drill program as and when results became available and



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following appropriate verification and validation. These announcements were released on 23 March 2016, 9 May 2016, 1 June 2016, 29 June 2016 and 11 July 2016.

During the course of 6th to 8th July, the Company undertook verification, review and interpretation of the Results in question. The announcement, including appropriate maps and cross-sections and the JORC Table 1, was prepared and the subject of review by Company's geological and management team during the period to ensure the interpretation and context of the Results was correct with regard to the Mundic Gully area and the Mount Morgan Project as a whole.

The announcement in its final form was circulated to the Board of Carbine Resources Limited after market close on Friday 8th July for their review and comment, following the completion of verification, review and interpretation of the Results. The announcement was subsequently released to the market prior to commencement of trading on Monday 11th July 2016.

The Company confirms that it is confident that it remained in compliance with the Listing Rules as it finalised the contents of the announcement which was released to market promptly and without delay following the completion of its appropriate reviews.

Further, the Company notes that the Results were consistent with previous results announced to the market and in particular the announcements of 1 June 2016 and 29 June 2016 which specifically refer to the area of Mundic Gully which contains the Results the subject of this query.

The Company also notes that the current strong gold price, which peaked on 6th July 2016, has had a positive effect on the trading of the Company's securities and of other entities with interests in gold exploration projects.

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it continues to be in compliance with the Listing Rules, including Listing Rule 3.1.

Yours sincerely,

Oonagh Malone
Company Secretary



18 July 2016

Oonagh Malone
Carbine Resources Limited
513 Hay Street
SUBIACO WA 6008

By email: omalone@konkera.com.au

Dear Ms Malone

Carbine Resources Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The change in the price of the Company’s securities from a closing price of \$0.175 on Monday, 4 July 2016, to a high of \$0.23 on 11 July 2016 and volumes of 1,118,047 on 8 July 2016 which is an increase on the average shares traded in the Company.
2. The announcement released by the Entity on the Market Announcements Platform on 11 July 2016 at 9:32 am AEST titled “CRB – Latest Drilling Continues to Show High Grade at Mundic” (“Announcement”) which includes assay results from Mundic Gully (“Results”).
3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
4. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:



- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

5. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “Listing Rule 3.1A.2 – the requirement for information to be confidential”. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the Results (or any part of them)?
4. If the answer to question 1 is “yes” and the Entity first became aware of the Results prior to the release of the Announcement, did the Entity make any announcement prior to the release of the Announcement which disclosed the Results (or any part of them)? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.



When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3.00 p.m. WST on Wednesday, 20 July 2016**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at allexchperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)