



## **CARBINE ANNOUNCES \$3.4 MILLION EXPLORATION BUDGET FOR THE NEW MADOUGOU GOLD PROJECT**

### **HIGHLIGHTS**

- ◆ **Exploration programs scheduled to commence in early June 2010**
- ◆ **Work programs include:**
  - **9,500m of reverse circulation (RC) and 1,000m of diamond drilling (DD)**
  - **40,000m of aircore and auger drilling**
  - **5,300 line kilometres of high resolution airborne geophysical surveys**
  - **9,000 soil samples over an area of approximately 120sqkm**
- ◆ **Over 85% of existing funds will be directed towards the initial exploration program**
- ◆ **Primary aims of the program are follow-up over known prospects and systematic exploration over the remainder of the Permits to identify additional targets**

**Carbine Resources Limited (ASX: CRB, CRBO)** is pleased to announce that in its first year of African focused gold exploration a generous \$3.4 million exploration budget has been approved for the Madougou Project, Burkina Faso (Figure 1). Geological and regolith mapping and preparations for field programs have been underway for over a month and exploration programs are expected to commence within weeks.

A number of drill programs are included in the budget with the Phase-1 program of approximately 3,000m of RC drilling planned over the Dore and Nimbo Prospects (Figure 2). These targets lie approximately 15km apart, at the north-western and south-eastern ends (respectively) of the Madougou Permit. Previous drill intersections on these targets included:

- ◆ 8m at 20.86g/t gold at the Nimbo Prospect
- ◆ 4m at 8.35g/t gold at the Nimbo Prospect
- ◆ 6m at 3.4g/t gold at the Dore Prospect
- ◆ 10m at 1.6g/t gold at the Dore Prospect
- ◆ 18m at 0.8g/t gold at the Dore Prospect

The new drill programs were designed using historical geophysical information and recent mapping and re-logging of old drill data. This recent work has highlighted the prospectivity of new untested areas at each of these Prospects and the potential for significant extensions to gold mineralisation.

The high resolution airborne geophysical survey (comprising magnetics and radiometrics) for 5,300 line kilometres is due to commence in mid-June and will greatly increase the quantity and quality of available geophysical data. This will assist with seeing through the large tracts of transported lateritic cover on the Permits and is expected to outline additional areas prospective for gold mineralisation.

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A systematic surface sampling program involving almost 9,000 soil samples and over 40,000m of aircore and/or auger drilling will be conducted over both the Madougou and Kandy Permits. A large proportion of the Project is covered by transported material but the aircore / auger drilling programs will enable the prospectivity of the region to be tested under such areas.

Data derived from these programs of work, when combined with geophysical information will allow Carbine to identify a number of significant new drill targets for future follow-up work.

The exploration programs are planned for the next 9 months and the Company is in the process of securing drill contracts. Results of all programs will be released to the market as the programs progress.

Executive Director Exploration, Aoife McGrath says the new Board of Carbine is very excited to set such an aggressive exploration program for the next twelve months, “We are really pleased to have such a generous budget in our first year of African focused exploration. Programs have been designed to be aggressive and to give a comprehensive view of the potential of this underexplored Project in one of the most prospective regions for gold exploration in the world. Carbine is well on its way to meeting the Company’s new objective of becoming a successful West African explorer”.

Carbine is also continuing to assess divestment opportunities for it’s Red Dam Project in Western Australia.

### **Background to the Madougou Project**

The Madougou Project covers an area of 465sqkm over two separate Permits, namely Kandy to the southwest and Madougou to the northeast (Figure 1). Carbine entered into a JV agreement with Ampella Mining Ltd over the Madougou Project in December 2009 (ASX: 22<sup>nd</sup> December 2009).

The Madougou Project is underlain by Birimian volcanics and sediments and a major northeast trending crustal-scale shear zone (the Ouahigouya Deformation Zone) traverses the Project. This deformation zone and associated second order structures are apparent in regional airborne geophysical datasets and satellite imagery and provide a prospective geological setting for gold mineralisation. A number of these interpreted structural lineations coincide with regional geochemical anomalies.

The area encompassing the Madougou Project has not been extensively explored, and there is no record of work prior to 1994. Channel Resources Inc. and Ampella conducted regional scale and some local scale exploration over some of the Project.

This work highlighted a 10km long north-northeast trending gold in soil anomaly at greater than 25ppb gold in the east of the Madougou Permit along with large gold in soil anomalies over the Wagande and Foufaku Prospects (Figure 2).

Another Prospect (Dore) that showed no surface geochemical anomaly was discovered under 5m of transported lateritic cover and is now the site of large artisanal workings.





Best historical results returned from drilling on the Project include:

- 8m at 20.86g/t gold at Nimbo Prospect
- 4m at 8.35g/t gold at Nimbo Prospect
- 4m at 8.20g/t gold at Nimbo Prospect
- 14m at 4.76g/t gold at Dagabenan Prospect
- 12m at 1.74g/t gold at Dagabenan Prospect
- 10m at 6.66g/t gold at Gousirdou Prospect
- 6m at 3.4g/t gold at Dore Prospect
- 10m at 1.6g/t gold at Dore Prospect

Artisanal workings are seen at numerous locations (many as yet untested by Western methods) throughout the Project area and indicate the presence of wide-spread mineralisation.

Although not extensively explored, historical work on the Project has shown:

- The presence of multiple styles of gold-bearing mineralisation
- Gold anomalism present over 100sqkm
- Significant widths of mineralised alteration in artisanal workings
- Gold mineralisation is located along a major crustal scale shear corridor
- Extensive areas of gold in laterite anomalism
- That 90% of the Permits are covered by transported material but where windows through this cover exist, significant evidence for gold-bearing mineralisation has been identified

**For further information, please contact:**

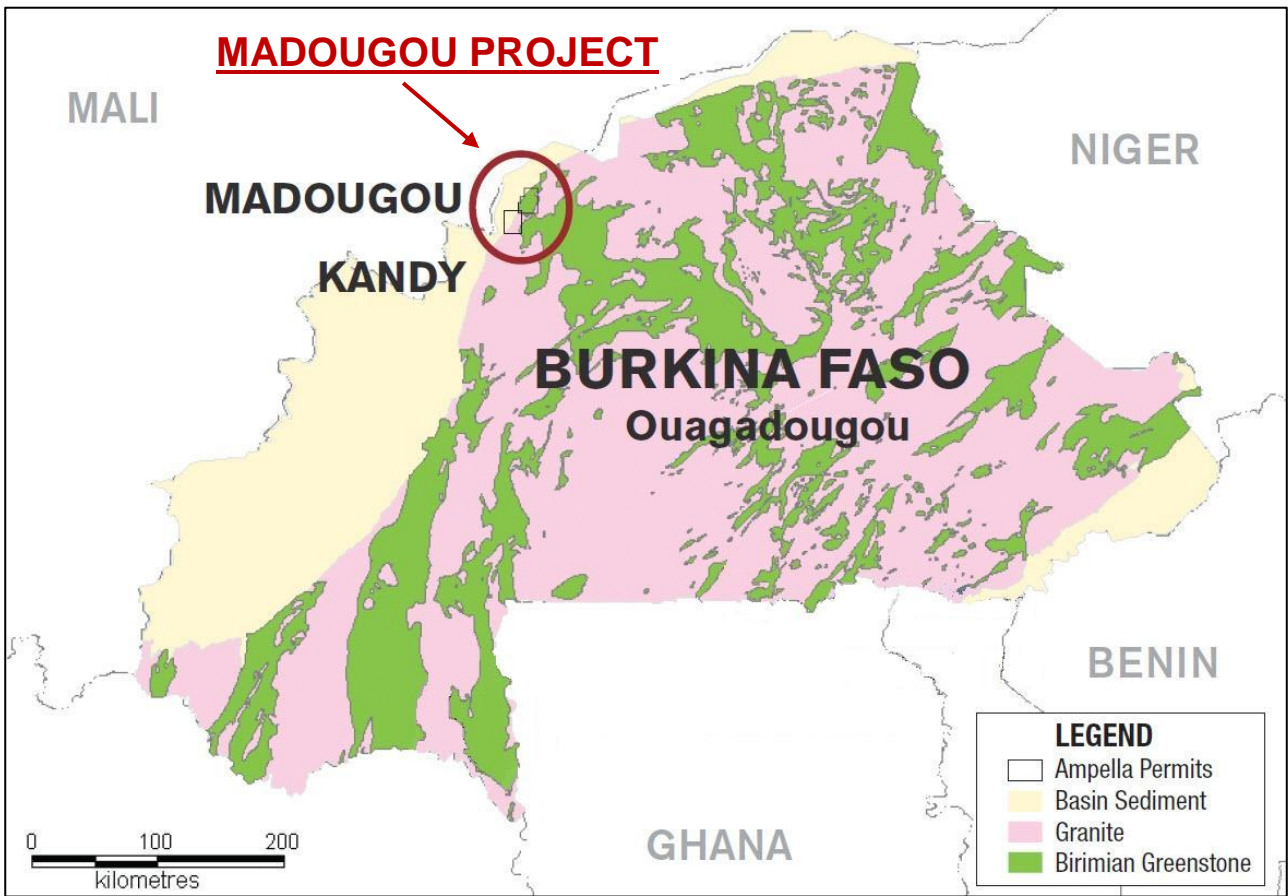
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*The information in this report that relates to exploration results is based on information compiled by Dr Paul Kitto and Aoife McGrath who are members of the Australian Institute of Geoscientists. Aoife McGrath is employed by Carbine Resources Ltd. and Dr Kitto is a non executive director of Carbine Resources Limited. Dr Kitto has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Aoife McGrath is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both parties consent to the inclusion of the matters based on information in the form and context in which it appears.*





**Figure 1:** Diagram showing the location of the Madougou Project in Burkina Faso



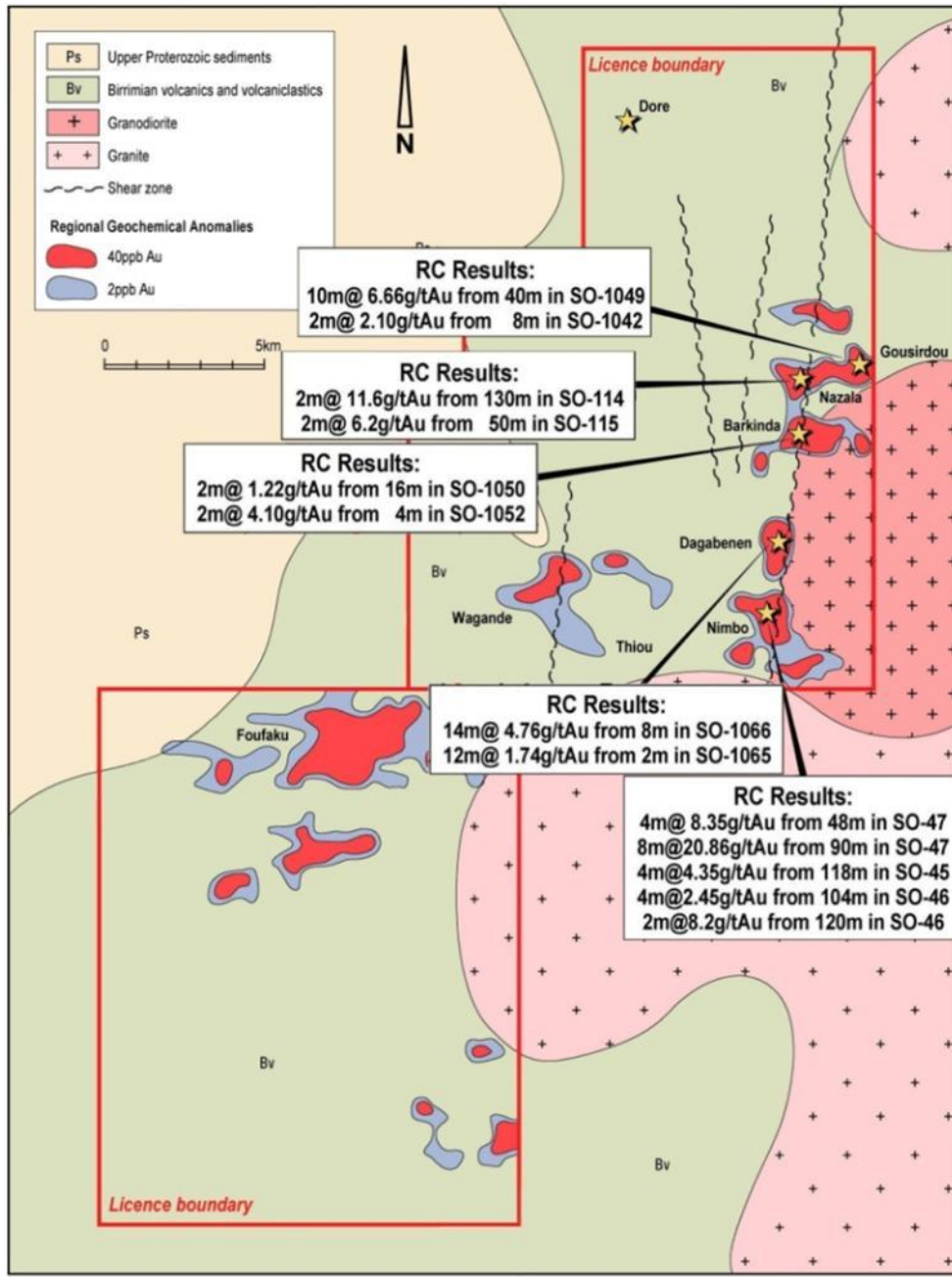
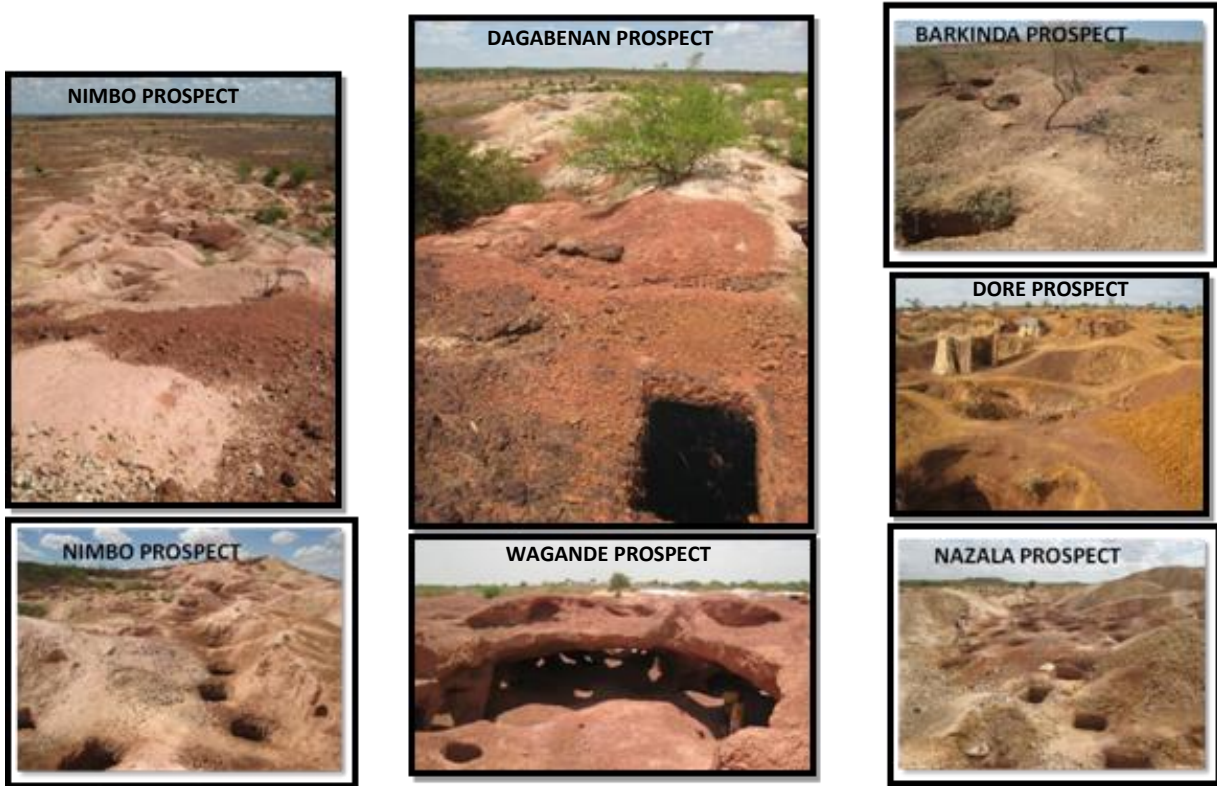


Figure 2: Map showing location of prospects and previous exploration results.







**Figure 3:** Photographs of the different prospects highlighted in Figure 2. Each prospect is a historical or active artisanal site with extensive workings up to a kilometre long.

