



ASX / MEDIA ANNOUNCEMENT

19 July 2011

CARBINE INCREASES STRATEGIC LAND HOLDING TO 1,464 SQUARE KILOMETRES IN BURKINA FASO, WEST AFRICA

HIGHLIGHTS

- ◆ **Option agreement signed on new exploration Permit, Madougou 2, for an additional 91sq. kms. Total land holding now 1,464sq. kms.**
- ◆ **Very limited historical exploration undertaken but scout RC results from the 1990's returned intercepts of 4m at 1.9g/t gold and 2m at 4.9g/t gold.**
- ◆ **Two large artisanal fields currently being mined on the Permit.**
- ◆ **Permit is directly northeast and along the regional structural strike direction of Carbine's Madougou Permit where recent and historical scout drilling returned results of 56m at 1.6g/t gold, 4m at 9.6g/t gold, 8m at 20.9g/t, 10m at 6.7g/t gold and 14m at 4.8g/t gold.**
- ◆ **Permit situated over the Ouahigouya Deformation Corridor and on Birimian Greenstone.**
- ◆ **Aggressive exploration programs to start immediately after wet season.**

Carbine Resources Limited (ASX: CRB, CRBO) is pleased to announce that it has entered into an agreement to earn up to 100% of one important new exploration Permit for its Madougou Project, in Burkina Faso, West Africa (Figure 1). The new Permit, Madougou 2, which adds 91sqkms to the total land package, is situated to the northeast of Carbine's existing Madougou Permit. Total land holding at the Madougou Project has now increased to 1,464 square kilometres.

Similar lithologies, alteration and deformation to those seen on the Madougou Permit have been identified on the Madougou 2 Permit during preliminary reconnaissance mapping. Regional data and first pass reconnaissance mapping show the Permit to be underlain by a mixture of Birimian Greenstones (volcanics and sediments) and granitoids. Recent sediments cover the western extremities of the Permit. Recent and historical scout drilling on the Madougou Permit returned intersections of **56m at 1.6g/t gold, 4m at 9.6g/t gold, 8m at 20.9g/t, 10m at 6.7g/t gold and 14m at 4.8g/t gold.**

Two large artisanal mining fields are located on Madougou 2 Permit. Mineralisation at these sites appears to be associated with quartz veining and shearing on the contacts between greenstone sediments and volcanics with intrusive bodies.





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The new Permit has had very limited modern day exploration. In the 1990's Channel Resources conducted some regional soil geochemistry and drilled two scout RC holes over the southern half of the Permit intersecting **4m at 1.9g/t gold** and **2m at 4.9g/t gold** adjacent to the one of the present day artisanal mining sites.

Carbine intends to start exploration on this Permit during October 2011 after the wet season is over. The exploration programs will include mapping and grab sampling, soil and auger geochemistry together with high resolution aeromagnetics and radiometrics surveys.

The terms of the agreement include limited up-front payments with further staged payments over 3 years to allow Carbine Resources to acquire 100% of the Madougou 2 Permit, should exploration results support such undertakings. Negotiations are currently underway for additional Permits and full terms and conditions of each agreement will be released in due course.

Executive Director Exploration, Aoife McGrath commented that Management is very happy with this new acquisition. "This new Permit along strike from the Madougou Permit is situated on highly prospective Birimian Greenstone and contains extensive contact zones between greenstones and granitoids. Much of the mineralisation in this region is associated with shearing and quartz veining along these contacts. Two large artisanal fields are currently being mined on the Permit and further enforce the prospectivity of our new Permit. Exploration programs due to commence in October 2011 are currently being designed for this Permit".

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 Aoife McGrath who is a member of the Australian Institute of Geoscientists. Aoife McGrath is employed by Carbine Resources Ltd. Aoife McGrath has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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". She consents to the inclusion of the matters based on information in the form and context in which it appears.

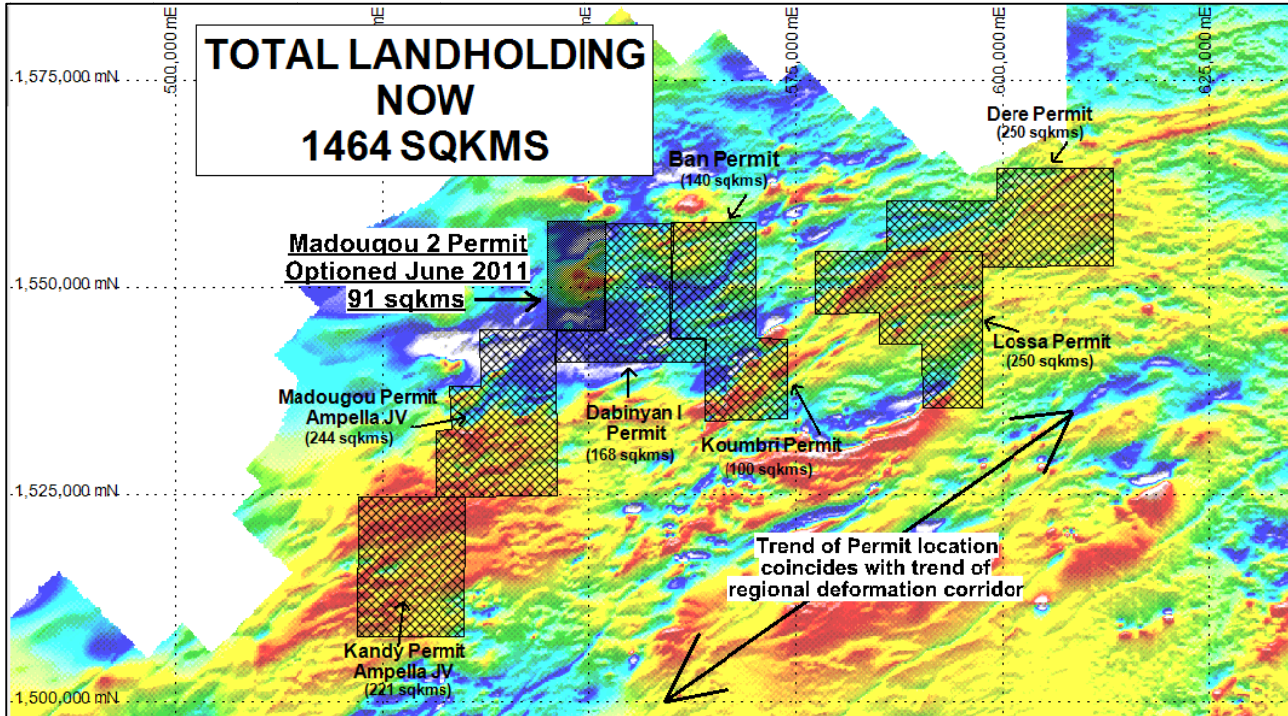


Figure 1: Location of new Madougou 2 Permit in relation to existing Madougou Project Permits.