



CARBINE RESOURCES LIMITED

March 2011 Quarterly Report

Highlights

Madougou Project, Burkina Faso

- ◆ Total strike length of gold geochemical anomalies outlined now 9.5km.

Madougou Permit:

- ◆ **Wagande and Wagande South Prospects** - two new gold geochemical anomalies totaling 1.2km strike length have been outlined
 - ◆ Grab samples over the two Prospects have yielded values of up to 14.1g/t gold.
 - ◆ Drill programs to further investigate these Prospects are currently being planned.
- ◆ **Nazala Area** - infill geochemical programs confirmed two strong gold geochemical anomalies of up to 6025ppb (6.03g/t) gold and totaling 3.8km combined strike length have been identified from the ongoing deep geochemical surveys.
 - ◆ First pass aircore drill programs currently being designed and are expected to be completed in April.
- ◆ **Dagbenan, Dagbenan South and Nimbo Prospects** - a 6000m program of aircore drilling has commenced over a strike length of 4.5km. Final results are being received and will be released to the market imminently.
- ◆ **Dore Prospect** re-logging, re-mapping and re-modeling now complete. A deep geochemical survey is being planned for completion in April.

Koumbre and Ban Permits:

- ◆ High resolution aeromagnetic and radiometric surveys have been completed over these Permits. Final processed images have been received and interpretation is underway.

Corporate

- ◆ The Worlds largest money managers, BlackRock increased their substantial shareholding to 6.15%.

Fast Facts

Ordinary Shares

Shares on issue 104.5 million

Options on Issue

CRBO

(ex.15c July 11) 35.5 million

Market Capitalisation and Current Cash

Market capitalisation

(at \$0.31) \$32.5 million

Current Cash \$7.6 million

Board of Directors

- Ms Aoife McGrath
(Executive Director –
Exploration)
- Mr Evan Cranston (Non-
Executive Director)
- Dr Paul Kitto (Non-Executive
Director)
- Mr Ron Sayers (Non-
Executive Director)

Company Highlights

- 1367km² highly prospective ground in Burkina Faso, West Africa
- 150,000 oz gold resource at Red Dam Project, Kalgoorlie, Western Australia

Key Project

Madougou Gold Project

- 1367km² tenement package
- Major deformation corridor
- Significant gold intercepts
 - 8m @ 20.8gpt gold
 - 10m @ 6.6gpt gold
 - 14m @ 4.8gpt gold
 - 56m @ 1.6gpt gold

Australian Office

ABN 81 122 976 818
Suite 23, 513 Hay Street
Subiaco WA 6008
PO Box 1311 Subiaco WA 6904
phone +61 8 6142 0980
fax +61 8 9388 8824

carbine@carbineresources.com.au
www.carbineresources.com.au

Burkina Faso Office

128 Rue Kindfu
Secteur 13 Zone du Bois
01 BP 1621 Ouagadougou 01
phone. +226 5036 8077
fax. +226 5044 7033



Madougou Project, Burkina Faso

During the March Quarter Carbine continued its aggressive exploration program over the Madougou Project whilst maintaining tight control on costs.

The Madougou Project is located in the Houande Greenstone Belt in northwest Burkina Faso, West Africa and comprises seven Permits, Madougou, Kandy, Lossa, Dere, Ban, Koumbre and Dabinyan 1 (Figure 1). A major northeast trending crustal scale shear zone, the Ouahigouya Deformation Corridor, passes through the Project. Numerous gold occurrences are located along this deformation corridor with a large number of both major and minor artisanal fields either historically or currently being mined.

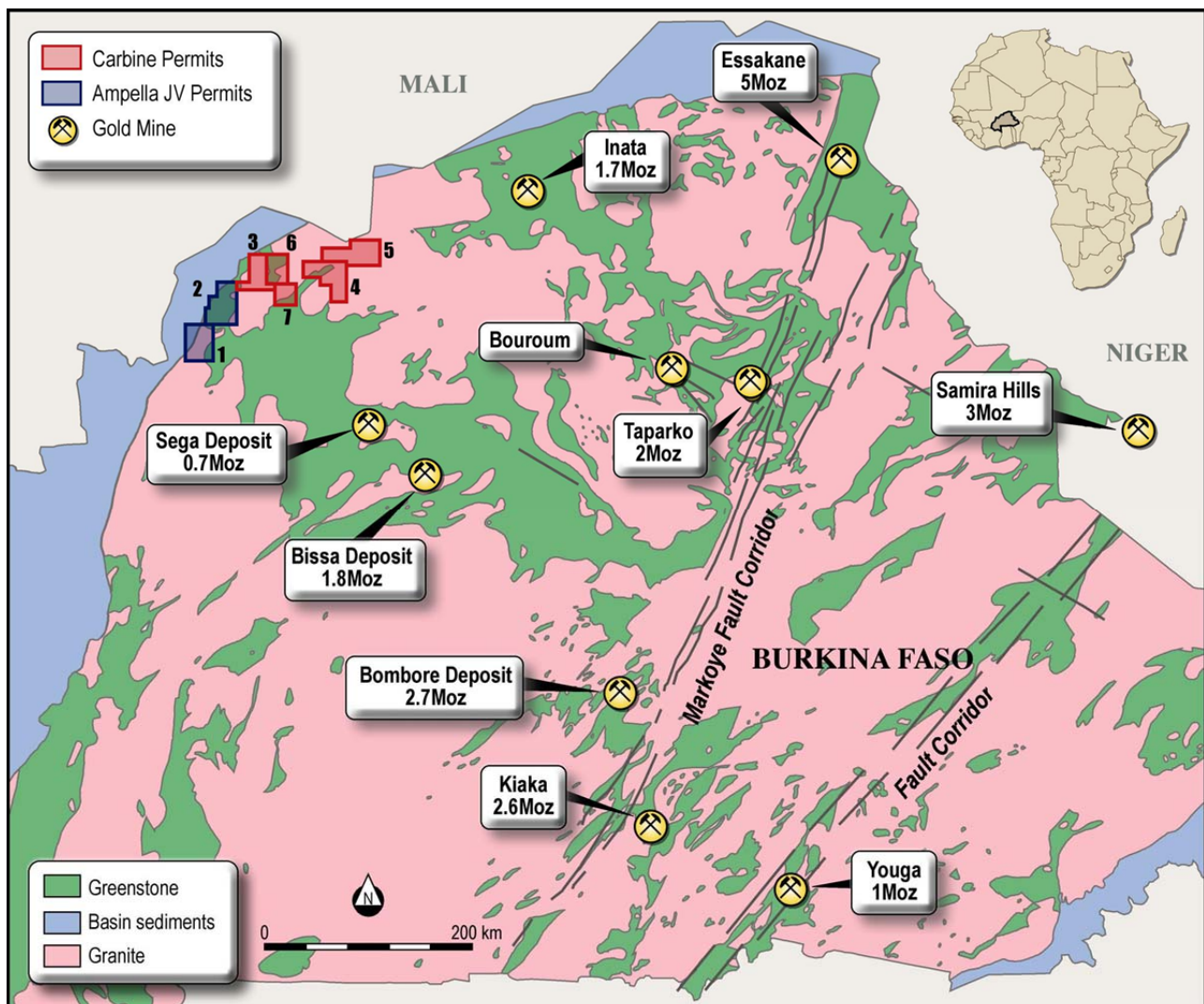


Figure 1: Diagram showing the location of the Madougou Project and individual Permits in Burkina Faso. Key to Permits: 1 = Kandy Permit, 2 = Madougou Permit, 3 = Dabinyan I Permit, 4 = Lossa Permit, 5 = Dere Permit, 6 = Ban Permit, 7 = Koumbre Permit.



Madougou Project Exploration Program

On 1st March Carbine announced that a \$7 million exploration program was approved for the Madougou Project, Burkina Faso (Figure 1) for 2011. Work programs are progressing very well with over 9.5kms of high tenor geochemical anomalies already outlined and follow-up aircore drill programs underway.

Aims:

The aims for 2011 are to outline and drill one potential resource, to conduct comprehensive evaluation of the Madougou and Kandy Permits and to generate a pipeline of prospects from the other five Permits. Carbine will also continue to work towards increasing the strategic landholding within the area and will also assess other suitable opportunities.

Planned Exploration work over Madougou and Kandy Permits:

Detailed exploration programs are being undertaken over the Madougou (currently the most advanced Permit) and Kandy Permits and include:

- ◆ Extensive deep geochemical surveys on both reconnaissance (on a 400m by 100m scale) and infill grids (down to 25m by 50m scale over select areas).
- ◆ One phase of AC drilling over all prospects to assist with moving them towards RC and DD ready status.
- ◆ Up to three phases of RC and one phase of DD have been planned over highest priority targets.

These programs are already well underway, with the deep geochemical survey over the Madougou Permit commencing in November 2010. Over 8,000 holes for approximately 80,000m of deep geochemical drilling were planned over this Permit. These are almost complete and geochemical surveys have also commenced over the Kandy Permit. Currently 1 auger and 1 aircore rig are undertaking this work with over 9.5kms of geochemical anomalies outlined so far. These anomalies are over six Prospect Areas; Nimbo, Dagbenan South, Dagbenan, Nazala, Wagande and Wagande South (Figure 2). Infill geochemical grids are complete and follow-up aircore drill programs have commenced.

The planned 2011 expenditure over the Madougou and Kandy Permits should secure Carbine's 70% earn-in to the Joint Venture Agreement with Ampella Mining Limited.

Regional Exploration on remaining five Permits:

Regional exploration programs are also planned over the other five Permits. These programs include regional regolith and geological mapping, geochemical sampling (grab and stream





sediment) and high-resolution geophysics. The aim of these programs is to ensure a pipeline of prospects for ranking and follow-up later in 2011 and early 2012.

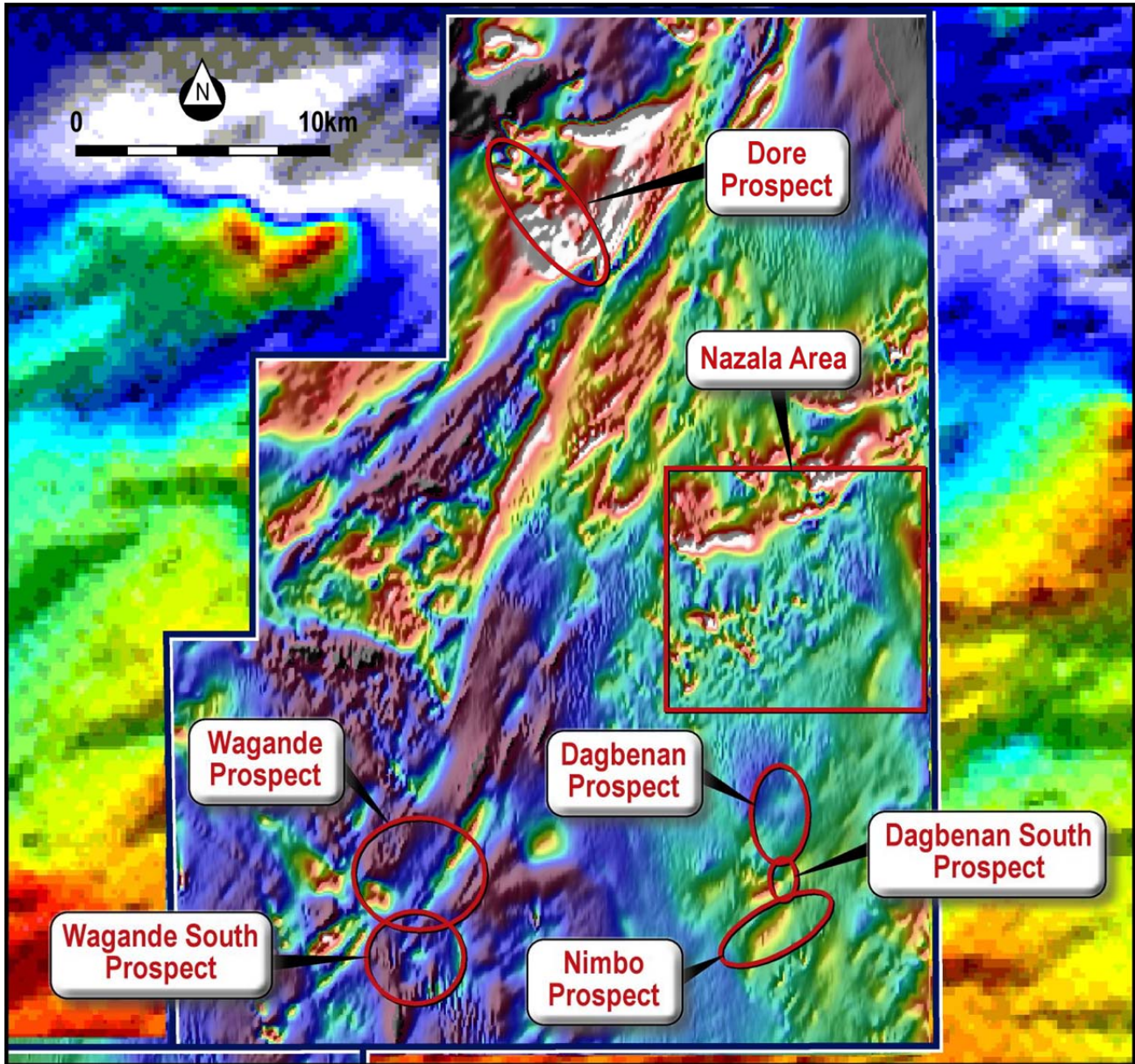


Figure 2: Locations of all Prospects over which geochemical anomalies have been outlined so far on the Madougou Permit.





Results from the Madougou Permit:

Wagande and Wagande South Prospects

On 5th April Carbine Resources Limited announced that two new gold geochemical anomalies, totaling 1.2km combined strike length have been outlined over the Wagande and Wagande South Prospects at the Madougou Permit, Burkina Faso (Figures 3 and 4).

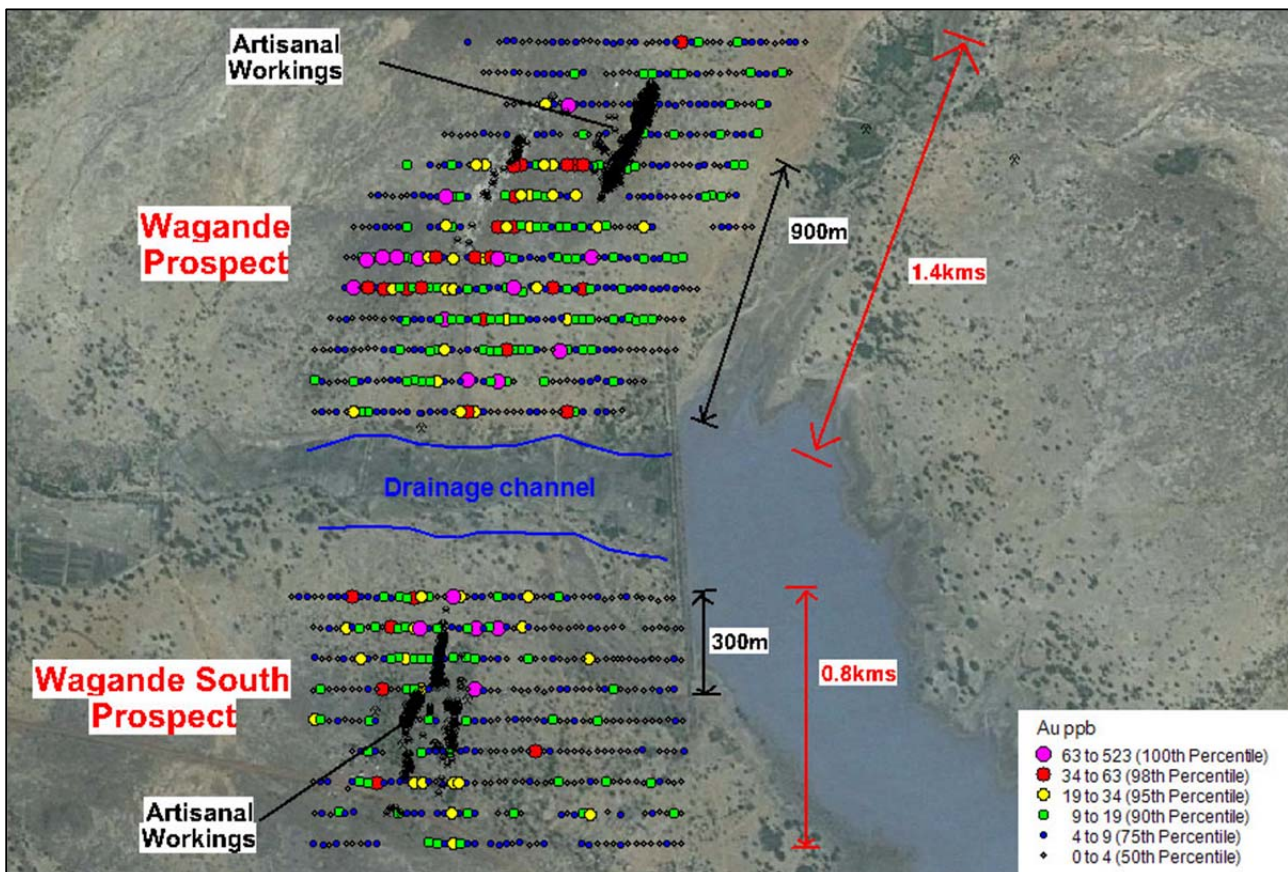


Figure 3: Aerial photograph of Wagande and Wagande South Prospects showing locations of deep geochemical survey points, artisanal workings and the drainage channel between the deposits. The strike length of the >19ppb anomaly is shown by the black arrows and of the lower tenor >9ppb anomaly is shown by the red arrows.

Using a 95th percentile split of the data, the anomaly of >19ppb can be seen to have a combined strike length of 1.2kms over the two Prospects (Figure 4). There is potential for mineralization to continue beneath the minor drainage channel that sits between the Prospects. In this case, total strike length would increase to 1.8kms. Improved access for further geochemistry is expected to be gained as the channel continues to dry out towards the end of the dry season. Sampling was conducted on grids using a 100m by 25m spacing.





Within this >19ppb anomaly, higher grades of up to 523ppb are seen. A larger, lower tenor anomaly of >9ppb extends around both Wagande and Wagande South Prospects over a combined strike length of 2.2kms (Figures 3 and 4).

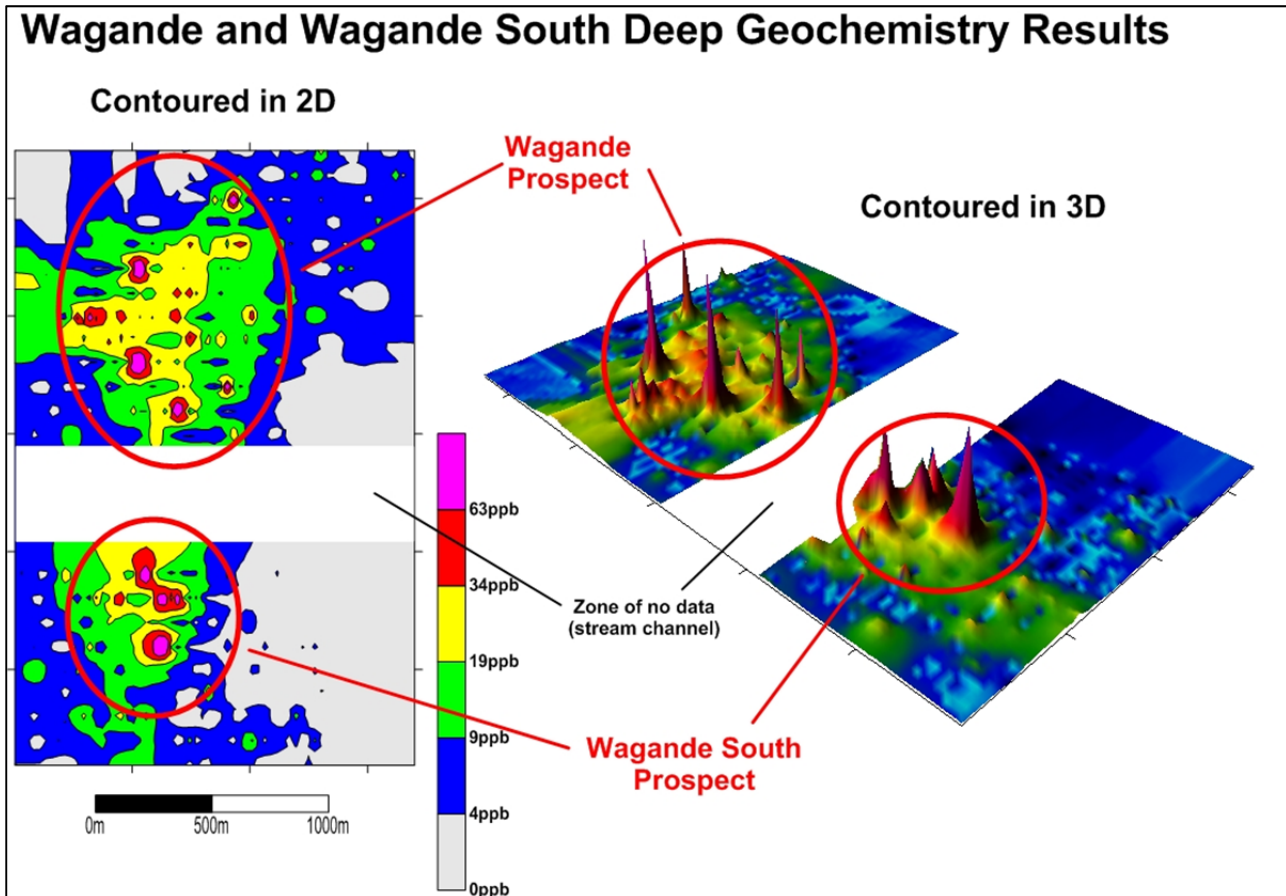


Figure 4: Deep geochemistry results over the Wagande and Wagande South Prospects on the Madougou Permit contoured in 2D and 3D.

The anomalies are associated with large north-northeast trending structures and their intersection with north-south and west-northwest trending structures. Preliminary indications are that the anomalies are associated with quartz stockworks and quartz veining along these shears.

A drill program to investigate beneath these new anomalies is currently being finalised. This program is expected to take place in July – August.

Twenty six grab samples of quartz vein and quartz stockwork material were taken over the Wagande and Wagande South Prospects. Eight samples yielded results of over 0.5g/t gold, six graded higher than 1g/t gold and two gave results in excess of 11g/t gold. Highest values obtained were 11.9g/t and 14.1g/t gold.





Nazala Prospect

During the quarter Carbine announced that infill geochemical grids over the Nazala Area (on a 100m by 50m spacing) have proven up two large, very high tenor gold anomalies which when combined cover 3.6sqkms and a strike length of 3.8kms.

The gold anomalies are of very high tenor which is illustrated using percentile separations of the data. The results show that 25% of samples fall into the anomalous category of over 15ppb gold (Figure 5). Higher grade cores to the anomalies are defined using the 90th percentile which corresponds to 38ppb gold. These higher grade cores can be seen to cover a large extent of the 15ppb gold anomaly, further highlighting the strength of this gold anomaly.

Highest recorded values in geochemical samples over the Nazala Area are 6025ppb (6.03 g/t) gold.

Dagbenan, Dagbenan South and Nimbo Prospects

During the quarter Carbine announced that a 6000m aircore drill program had commenced over the Dagbenan, Dagbenan South and Nimbo Prospects at the Madougou Project Burkina Faso (Figure 6).

After completion of regional and infill geochemical surveys, a 4.5km long, almost continuous anomaly of greater than 25ppb gold was outlined over the Dagbenan, Dagbenan South and Nimbo Prospects (Figure 6). Previously released strike length of the gold anomaly (ASX 16th December 2010) over Dagbenan and Nimbo was 3.6km in two discrete anomalies however infill surveys have shown them to be linked through the newly defined Dagbenan South Prospect. Total strike length over these three Prospects is now 4.5km (at greater than 25ppb).

Final results for this drilling are being received and results will be released to the market imminently. Sixty two holes for approximately 5000m were drilled over the Dagbenan and Dagbenan South Prospects and ten holes for approximately 1000m over the Nimbo Prospect. Drilling has followed up on targets that were tightly defined through the integration of data from multiple sources including high-resolution geophysics, field mapping, grab sampling and deep geochemical surveys.

This first pass drill program has given complete east-west coverage of geology and mineralisation to 60m depth on sections 200m apart. This will allow construction of geological and mineralisation models for these Prospects that sit under several metres of transported lateritic cover.



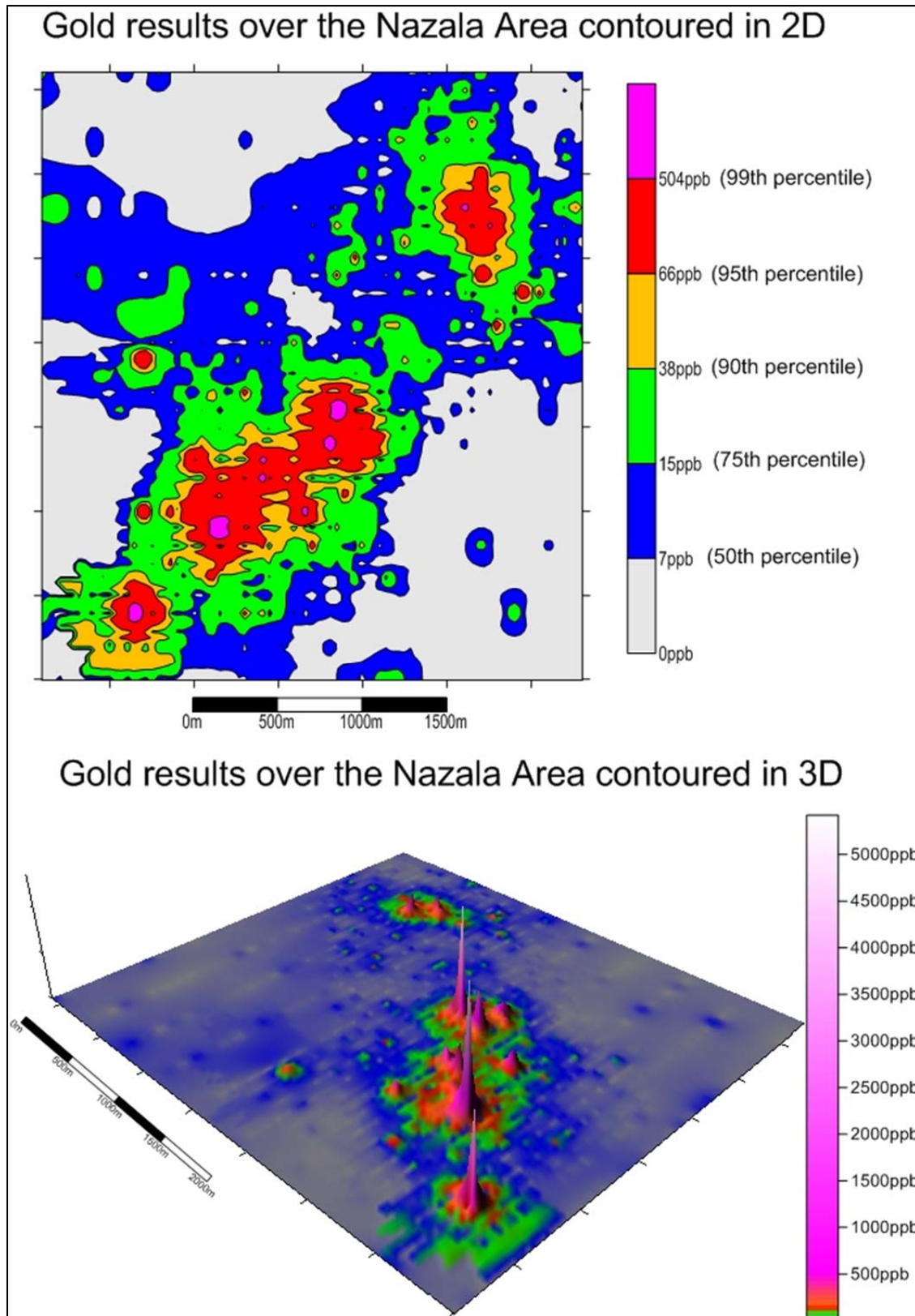


Figure 5: Gold geochemistry results over the Nazala Area contoured in 2D and 3D.



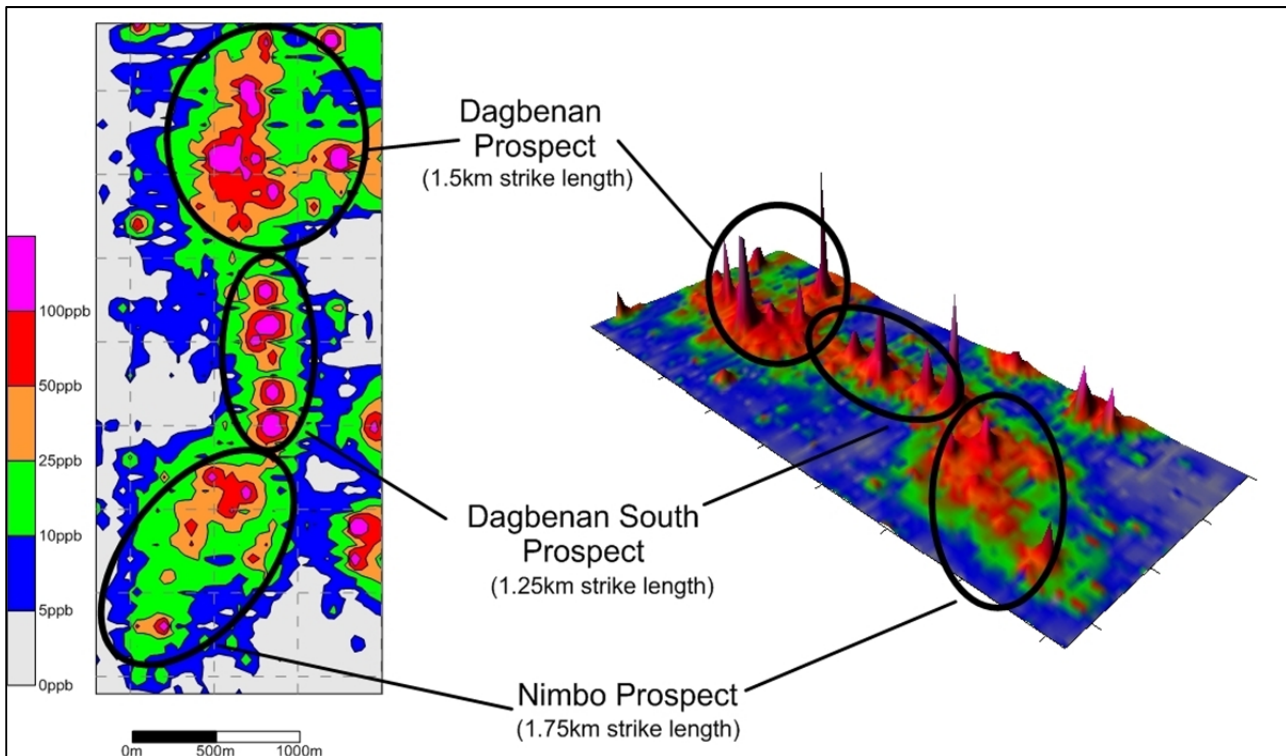


Figure 6: 2D and 3D contoured geochemical anomalies that have been outlined by the deep geochemical survey over the Dagbenan, Dagbenan South and Nimbo Prospects on the Madougou Permit.

Dore

In April Carbine announced that the re-logging, re-mapping and re-modeling of the Dore Prospect was completed and final plans for the deep geochemistry survey were being made. These programs are expected to be completed in May - June with results made available to the market as they are received.

Ban and Koumbre Exploration Permits

High-resolution aeromagnetics and radiometrics surveys have also been completed over the Ban and Koumbre Permits that were optioned in October 2010 (Figure 7). Survey lines were spaced at 100m and flight altitude was 30m. Final processed images have been received and interpretation is underway.

Carbine has commenced a regional mapping and grab sampling program over these Permits. Auger geochemistry will follow.



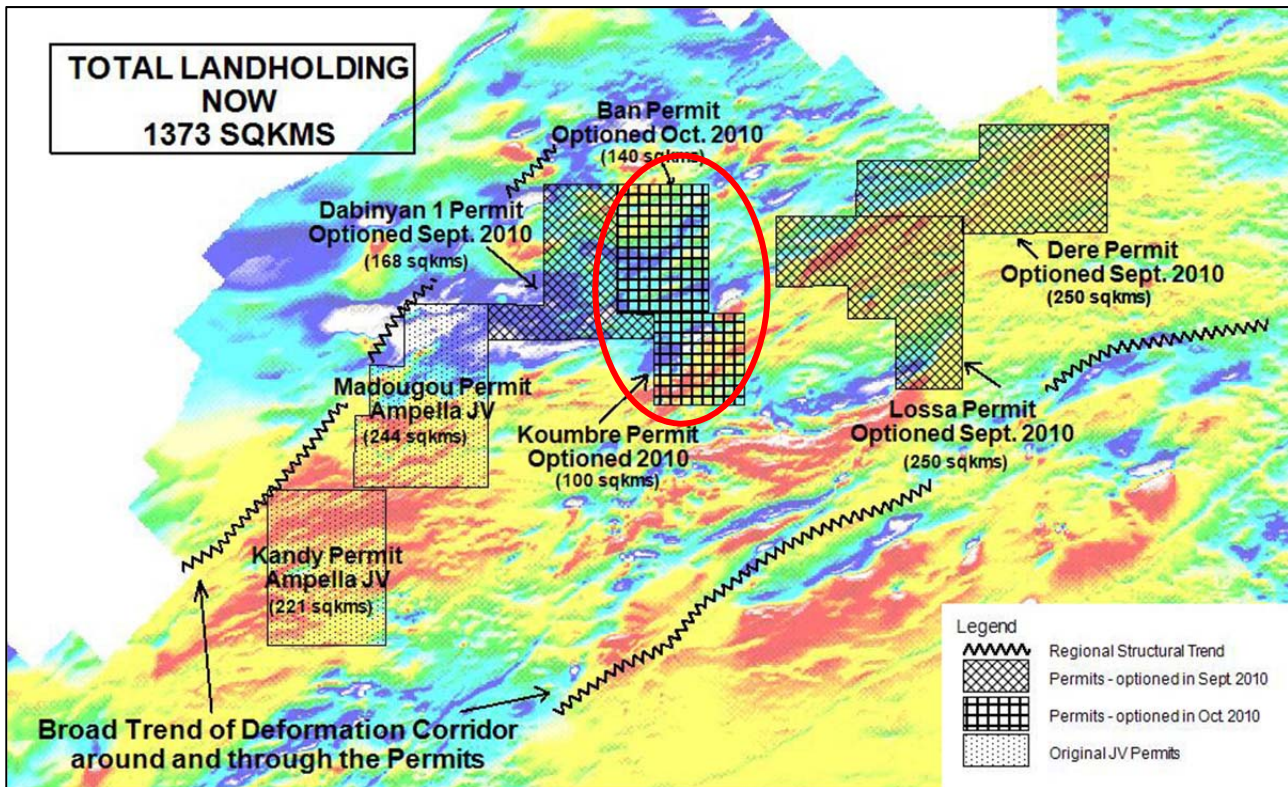


Figure 7: Location of the Ban and Koumbre Permits recently flown with high resolution aeromagnetics and radiometrics.

Red Dam Project, Kalgoorlie

No exploration work was undertaken at the Company's Red Dam Project during the quarter. Divestment opportunities will be considered to maximize shareholder value.

Corporate

During the quarter the world's largest money manager, BlackRock, increased their substantial shareholding to 6.15%.

During the quarter a total of 643,250 options were exercised and allotted raising \$96,487.50.

Cash at bank as at 31 March 2011 was \$7,656,661.33.

The Company continues to assess additional permits in Burkina Faso with negotiations underway.

For further information, please contact:





CARBINE RESOURCES
LIMITED

Aoife McGrath – Executive Director Exploration: +44 7522 062 655, +226 7897 4595 (UK and Burkina Faso)
Evan Cranston – Non Executive Director: +61 408 865 838 (Australia)

Website: www.carbineresources.com.au

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.

