



CARBINE DIVESTS RED DAM FOR \$1.94M DEAL TO PHOENIX GOLD

HIGHLIGHTS

- ◆ **Carbine divests Red Dam Asset for \$1.94 m in cash and script to Phoenix Gold Ltd**
- ◆ **\$100,000 in cash**
- ◆ **8 million shares in Phoenix Gold Ltd at a deemed price of \$0.23 (7.2% of issued capital)**
- ◆ **\$10/ounce royalty on all gold production**
- ◆ **Cash and liquid assets of approximately \$11 million following completion of sale**

Carbine Resources Limited (ASX: CRB) is pleased to announce that it has entered into an agreement with Phoenix Gold Limited in which Phoenix has agreed to purchase tenement M16/344 known as Red Dam for the following consideration:

- ◆ \$50,000 non-refundable cash deposit on signing formal agreement;
- ◆ \$50,000 cash payable at settlement;
- ◆ 8 million fully paid ordinary PXG shares representing 7.2% of the issued capital of Phoenix at a deemed price of \$0.23 per Phoenix share; and,
- ◆ \$10 per ounce gross production royalty.

Phoenix and Carbine expect to execute and complete a Formal Sale Agreement by December 2012 subject to any shareholder approvals that may be required and any government or other regulatory approvals.

Phoenix Gold Ltd is an emerging Australian exploration and development company with an extensive land holding on the Zuleika and Kunanalling shear zones northwest of Kalgoorlie in Western Australia, home to some of Australia's richest gold deposits. Phoenix is fast establishing a substantial gold inventory on its existing projects (excluding Red Dam) (refer Phoenix Annual Report 2011 for details of JORC compliant resource inventory) which it aims to significantly grow and to self-fund aggressive exploration through the development of advanced mining projects that can deliver cash flow in the short term.

The divestment of Red Dam will let Carbine focus 100% of its efforts on its Madougou Project in Burkina Faso West Africa where it is aiming to establish its maiden JORC compliant resource within the next 12 months. The divestment increases Carbine's current cash and liquid assets to approximately \$11 million to fund ongoing exploration.

For further information, please contact:

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