



CARBINE RESOURCES
LIMITED



ASX / MEDIA ANNOUNCEMENT

14 August 2012

CARBINE COMPLETES SALE OF RED DAM PROJECT

HIGHLIGHTS

- ◆ Carbine has completed the sale of the Red Dam Asset for \$1.94 m in cash and script to Phoenix Gold Ltd
- ◆ Final installment of \$50,000 paid in cash
- ◆ 8 million shares issued in Phoenix Gold Ltd (current share price \$0.215) becoming Phoenix's' second largest shareholder
- ◆ \$10/ounce royalty on all gold production
- ◆ Cash and liquid assets of approximately \$6 million following completion of sale

Carbine Resources Limited (ASX: CRB) is pleased to announce that it has completed the sale of tenement M16/344 known as Red Dam with Phoenix Gold Limited for the following consideration:

- ◆ \$50,000 non-refundable cash deposit paid on signing formal agreement (October 2011);
- ◆ \$50,000 cash paid at settlement (August 2012);
- ◆ 8 million fully paid ordinary PXG shares currently trading at \$0.215 (13 August 2012) which makes Carbine the second largest shareholder of Phoenix; and
- ◆ \$10 per ounce gross production royalty.

Phoenix and Carbine have completed the conditions precedent in the Formal Sale Agreement.

Phoenix Gold Ltd is an emerging Australian exploration and development company with an extensive land holding on the Zuleika and Kunanulling 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.

Managing Director Peter Sheehan stated, "The divestment brings Carbine's current cash and liquid assets to approximately \$6 million at a time when sourcing equity funding on advantageous terms is difficult. The completion of this transaction strengthens Carbine's ability to fund ongoing exploration and/or acquisitions going forward."

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