



# CARBINE RESOURCES LIMITED



## March 2012 Quarterly Report

### Highlights – Madougou Project

- ◆ Follow up reverse circulation drilling of gold anomalism has identified primary gold mineralisation extending over 600 metres strike at Goussirdou Prospect
- ◆ Best results include:
  - 11m at 2.91g/t gold from 60m (GSRC001)
  - 32m at 1.00g/t gold from 100m (GSRC006)
  - 7m at 1.23g/t gold from 105m (GSRC011)
  - 6m at 1.15g/t gold from 107m (GSRC014)
  - 14m at 0.85g/t gold from 112m (GSRC018)
  - 5m at 50.37g/t gold from 13m (GSRC027)
  - 5m at 2.23g/t gold from 19 and 6m at 1.88g/t gold from 69m (GSRC028)
- ◆ Goussirdou mineralised structure still untested to the north and south
- ◆ Assay results from RC drilling at Nazala Prospect pending
- ◆ First pass reconnaissance aircore program results over Foufaka Prospect pending
- ◆ Infill shallow aircore geochemistry from southwest of Kandy Permit (results pending)
- ◆ Nimbo pit sampling and reconnaissance aircore drilling (results pending)

### Corporate

- ◆ Cash at bank at 31<sup>st</sup> March was \$5.6 million
- ◆ Resignation of Director of Exploration Aoife McGrath
- ◆ Appointment of Director Grant Mooney
- ◆ Appointment of Managing Director Peter Sheehan

#### Fast Facts

##### Ordinary Shares

Shares on Issue 140,017,394

##### Market Capitalisation and Current Cash

Market capitalisation  
(at \$0.09) \$12.6 million  
Cash @ 31 Mar \$5.6 million

##### Board of Directors

- Mr Peter Sheehan  
(Managing Director)
- Mr Evan Cranston  
(Non-Executive Director)
- Dr Paul Kitto  
(Non-Executive Director)
- Mr Grant Mooney  
(Non-Executive Director)

##### Company Highlights

- 1,932km<sup>2</sup> highly prospective ground in Burkina Faso, West Africa

##### Key Project

##### Madougou Gold Project

- 1,932km<sup>2</sup> tenement package
- Major deformation corridor
- Significant gold intercepts
  - 8m @ 20.8gpt gold
  - 10m @ 6.6gpt gold
  - 14m @ 4.8gpt gold
  - 56m @ 1.6gpt gold

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## Madougou Project, Burkina Faso

The Madougou Project is located in the Houde Greenstone Belt in northwest Burkina Faso (West Africa) and consists of a contiguous land holding of 1,932 km<sup>2</sup> comprising 10 granted Exploration Permits; Madougou, Kandy, Lossa, Dere, Dabinyan I, Ban, Koumbri, Madougou 2, Nongodoum, and Magel (Figures 1 & 2). Additionally there is one Permit pending application at Siliga.

The Permits are located on a major northeast trending crustal scale shear zone, the Ouahigouya Deformation Corridor. 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.

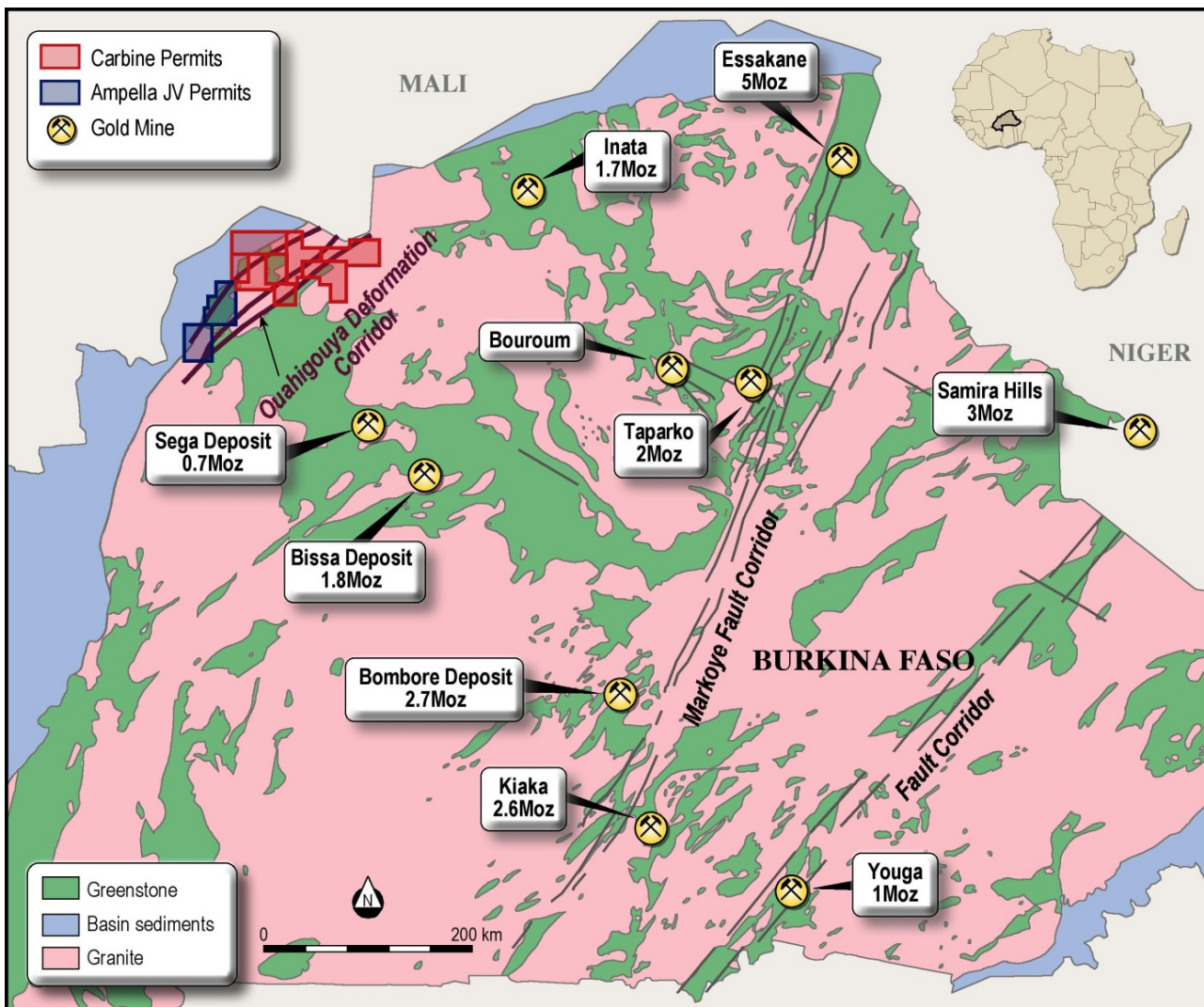


Figure 1 Diagram showing the location of the Madougou Project in Burkina Faso.



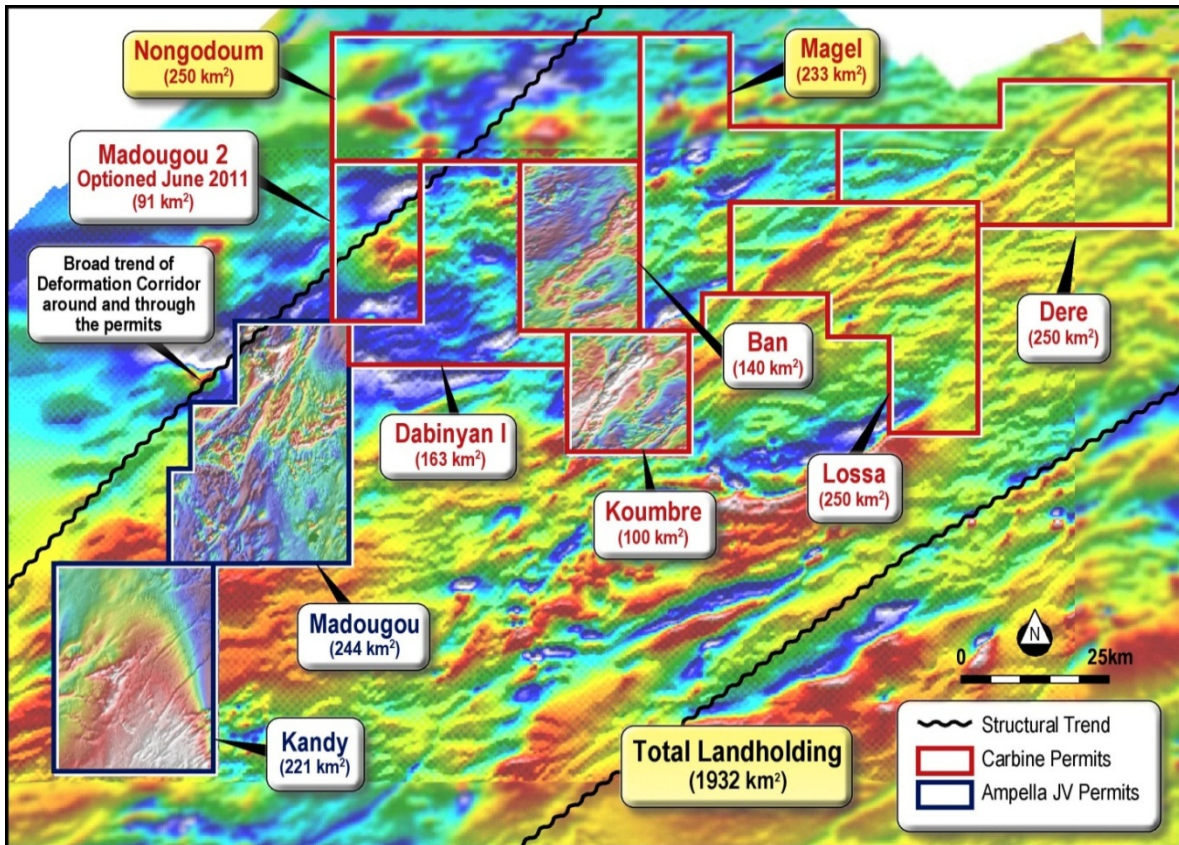


Figure 2 Location and area of Carbine Permits on reduction to the pole (RTP) magnetics image.





## Madougou & Kandy Permits (Ampella Joint Venture Permits)

During the quarter 12,203m of shallow aircore (for geochem) and 22,077m of aircore drilling to refusal was drilled on Kandy and Madougou permits (Table 2). During this time 12,653 samples were submitted to the laboratory in Ouagadougou.

**Table 1 Madougou Project - Exploration Activities during March Quarter 2012.**

Exploration Activity	Holes	Metres	Samples
Reconnaissance sampling			41
Trenching	-	-	-
Auger	-	-	-
Aircore drilling_shallow (geochem)	855	12,203	855
Aircore drilling_deep (to refusal)	423	22,077	11,757
Reverse Circulation (RC) drilling	-	-	-
<b>Total</b>	<b>1,278</b>	<b>34,280</b>	<b>12,653</b>

### Madougou Permit

#### Goussirdou infill shallow aircore (geochem) drilling

Infill shallow aircore drilling (geochem) of 69 holes for 1,306m and 69 samples was completed on three (3) areas west and north of Goussirdou (Figure 3). Sampling occurred from 28 – 30 March 2012 and targeted interpreted structures with coincident anomalous geochem (>49p pb Au).

Results are pending.

#### Goussirdou deep aircore drilling

Deep aircore drilling of 79 holes for 4,123m and 2,242 samples was carried out at Goussirdou from 18 – 28 March 2012 (Figure 3). The program targeted two (2) trends;

The interpreted intersection of the northeast trending Nazala mineralised structure (to the southwest) with the north-south trending Goussirdou mineralisation; and

Anomalous geochem east of the Goussirdou structure suggesting the possibility of stacked lenses/sub parallel lodes.

Results are pending.

#### Nimbo pit sampling and deep aircore drilling

Previous RC drilling at Nimbo intercepted some narrow, extremely high grade veins in sediments. Additionally there were several large, low grade intercepts (<1g/t Au) in a felsic intrusive (granodiorite?) at the contact with the sediments. A considerable number of fresh artisanal workings on this mineralised contact, extending up to 200m south of RC drilling were mapped and sampled (41 grab samples) during February. This was followed up with 39 aircore drilling holes for 1,622m and 876 samples from 30 March - 04 April 2012 (Figure 3). Drilling was carried out on three (3) sections spaced 200m apart, testing an additional 400m of strike on this mineralised contact.

Results are pending.



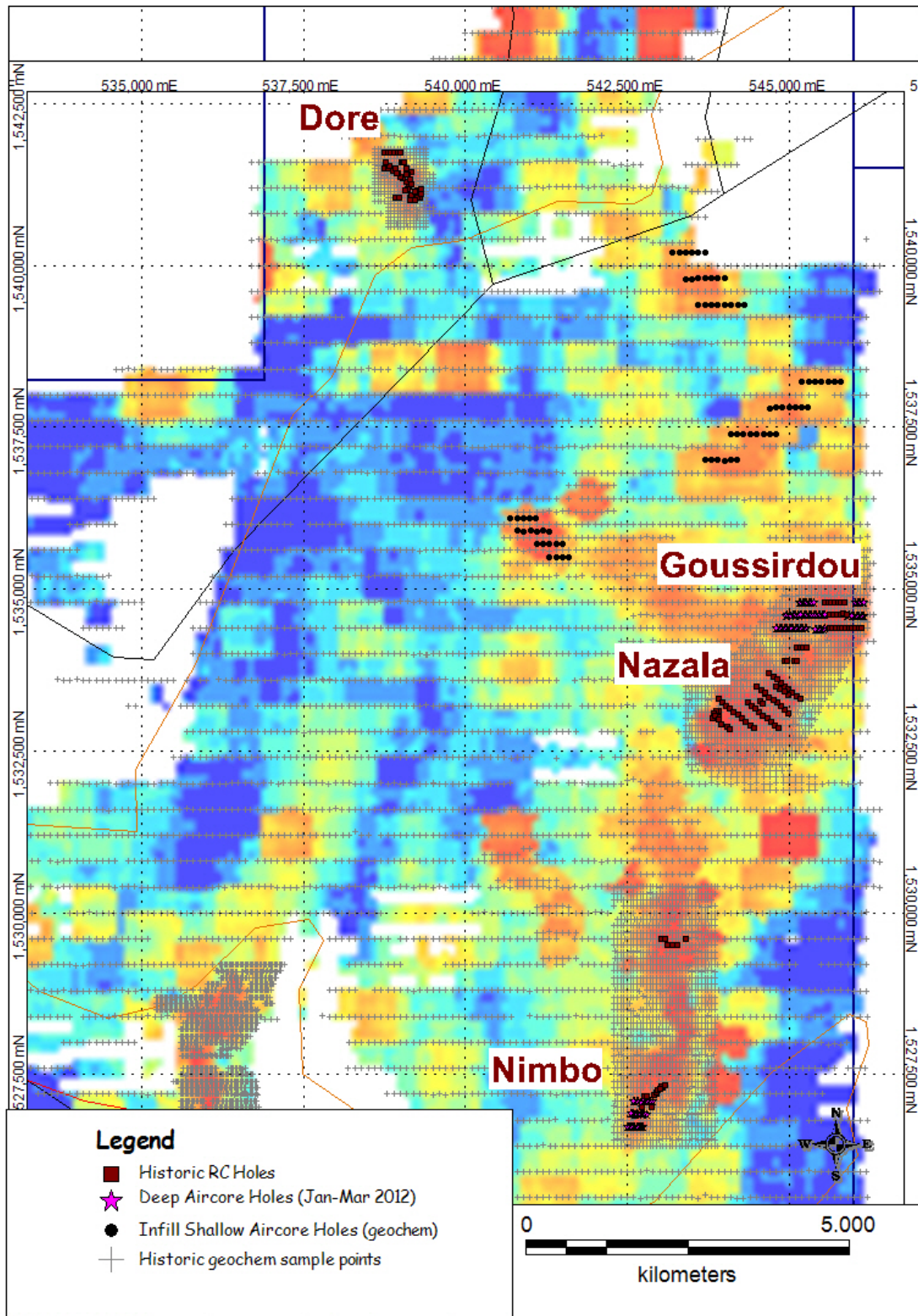


Figure 3 Exploration Activity Map Jan-Mar 2012 on Madougou Permit showing location of infill shallow aircore (geochem) holes, and deep aircore holes at Goussirdou and Nimbo (overlaid on contoured image of 2011 geochem).





## ***Kandy Permit***

### **Foufaka deep aircore**

A deep aircore program (to refusal) of 305 holes for 16,332m and 8,639 samples was completed at Foufaka from 10 January – 10 February 2012 (Figure 4). Drilling targeted a strong geochem anomaly (approximately 2km in strike, >40 ppb, up to 997 ppb), supported by some low-moderate grade trench results in the north, including 5m at 0.73g/t Au.

Drilling was carried out on six drill sections at 200m spacing, targeting mineralisation in shallowly dipping, northeast-southwest trending quartz veins observed in the trenches.

Results are pending.

### **Kandy infill shallow aircore (geochem)**

Infill shallow aircore (geochem) drilling of 786 holes for 10,987m and 786 samples was completed at Kandy from 10 February - 18 March 2012 (Figure 4). The program targeted several areas, namely;

- ◆ high order anomalism to the east and southeast of Foufaka;
- ◆ anomalism along a large interpreted northeast trending structure where it continued southwest from Foufaka, and
- ◆ an area in the southwest of the Kandy permit with the contact between greenstone and the younger tertiary sediments.

Results are pending.



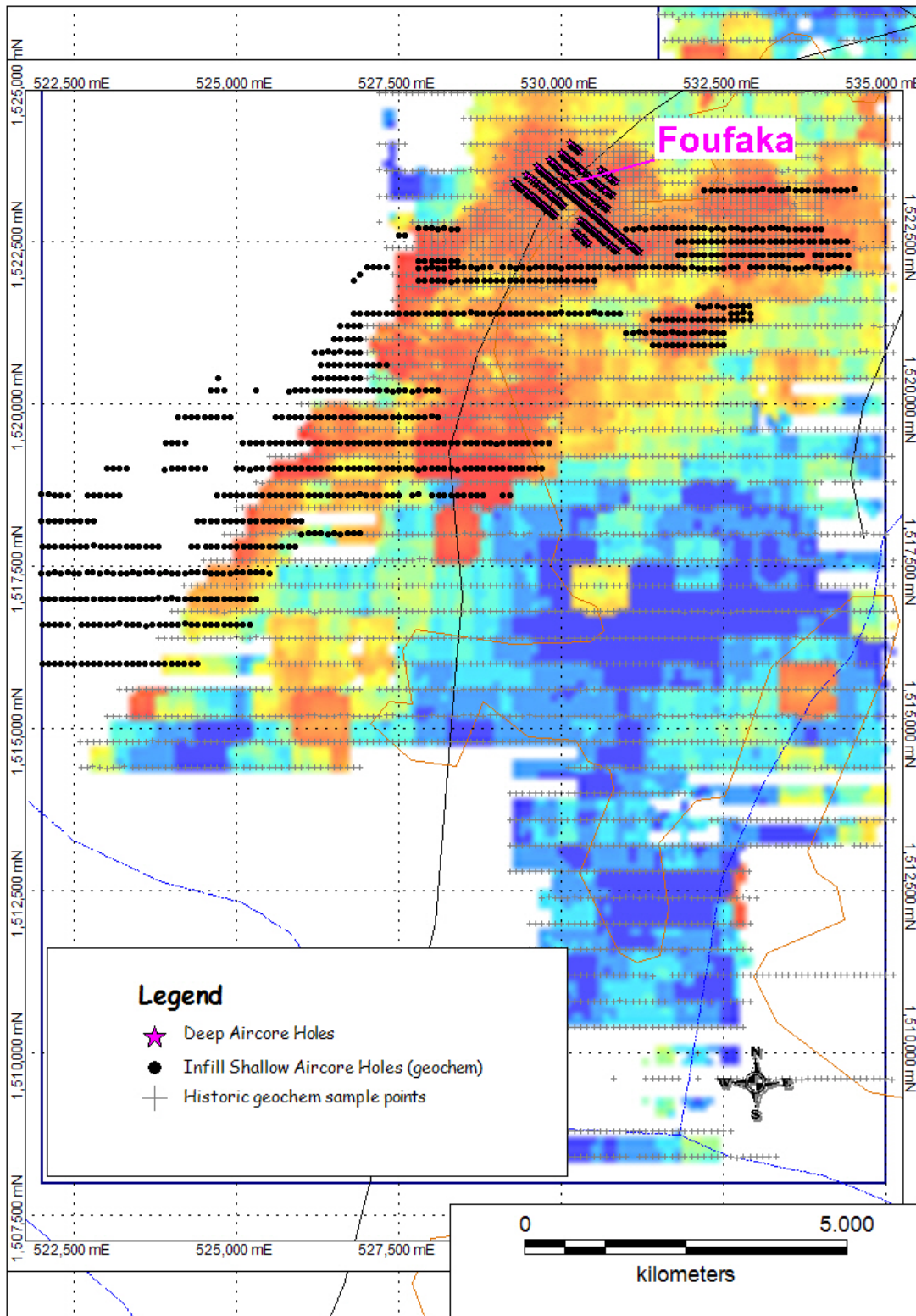


Figure 4 Exploration Activity Map Jan-Mar 2012 on Kandy Permit showing location of infill shallow aircore (geochem) holes, and deep aircore holes at Foufaka (overlaid on contoured image of 2011 geochem).





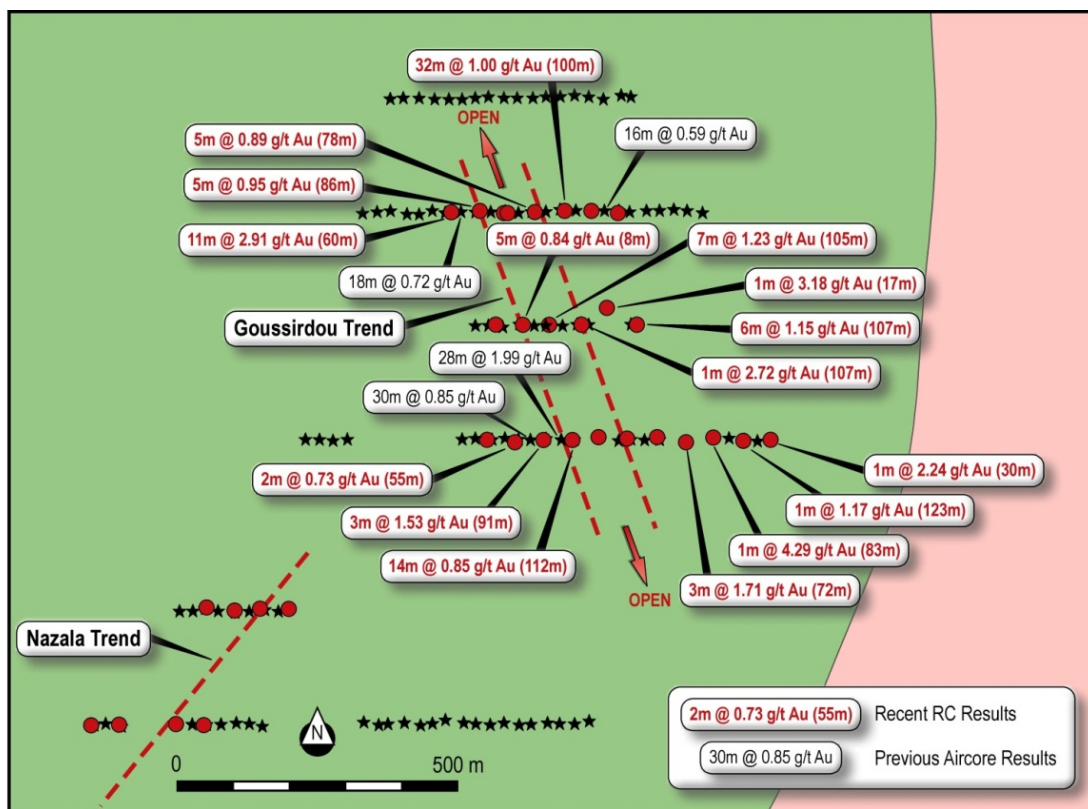
Subsequent to the quarter end, Carbine Resources Limited (ASX: CRB) reported gold assay results from over 6,500m of reverse circulation (RC) drilling conducted in November and December 2011 at Goussirdou and Dore prospects.

### Goussirdou Prospect

Thirty three RC drill holes for 4,393m were completed in November and December 2011 on the Goussirdou Prospect at Carbine's Madougou Project in northwest Burkina Faso (Figure 5). Drilling targeted two previously identified distinct gold mineralised intervals (the first up to 30m wide) on three sections spaced 200m apart, around North-South striking lithological contacts with associated quartz veining and shearing. Results showed a strong correlation at depth in the primary geochemistry of these previously identified gold zones in aircore drilling. Of particular encouragement is the continued large widths observed in the RC, including:

- ◆ 11m at 2.91g/t gold from 60m (GSRC001);
- ◆ 32m at 1.00g/t gold from 100m (GSRC006);
- ◆ 7m at 1.23g/t gold from 105m (GSRC011);
- ◆ 6m at 1.15g/t gold from 107m (GSRC014);
- ◆ 14m at 0.85g/t gold from 112m (GSRC018);
- ◆ 5m at 50.37g/t gold from 13m (GSRC027); and
- ◆ 5m at 2.23g/t gold from 19 and 6m at 1.88g/t gold from 69m (GSRC028).

The North-Northwest striking mineralisation is now defined with RC drilling over approximately 600m, and still has no drilling to the north or south. More RC drilling is required to define the full extent of gold mineralisation prior to any resource definition drilling on the area.



**Figure 5 Mineralised intercepts location map of recent RC drill holes (black squares) over previous Aircore drilling (grey stars). Figure shows that mineralisation is still open to north and south.**





## **Dore Prospect**

Fourteen RC drill holes for 2,366m were completed in November 2011 on the Dore Prospect at Carbine's Madougou Project in northwest Burkina Faso. The program was designed subsequent to re-logging of previous RC drill chips and further mapping which produced a revised geological model to explain the extent and nature of gold mineralisation around previous good results such as 56m at 1.6g/t gold from 94m (DORC034). Whilst eleven of the fourteen holes intersected mineralisation, the zones were generally narrow. Best results included:

- ◆ 1m at 7.33g/t gold from 36m (DORC036);
- ◆ 2m at 3.98g/t gold from 126m (DORC041);
- ◆ 2m at 4.41g/t gold from 107m (DORC042);
- ◆ 2m at 3.27g/t gold from 68m (DORC044);
- ◆ 1m at 4.18g/t gold from 61m (DORC047); and
- ◆ 1m at 35.75g/t gold from 17m (DORC048).

A detailed review of the Prospect is required prior to any more drilling to ascertain the remaining potential of the large mineralised zones previously intersected in RC drilling.

## ***Pending Assay Results***

The Company is still awaiting final assay results from the following prospects:-

- ◆ Nazala Prospect (Madougou Permit) – 50 RC holes for 7,485 meters.
- ◆ Foufaka Prospect (Kandy Permit) – 305 AC holes for 16,332 meters.

These results will be released to the market as soon as they are received from the laboratories in Ouagadougou. The Company is currently experiencing assay turnaround time of in excess of 3 months.

## **Red Dam**

During the quarter Carbine signed the formal tenement sale agreement and received the \$50,000 non-refundable cash deposit. The Company continues to work with Phoenix Gold to complete all the conditions of the tenement sale agreement for Red Dam.

The following consideration will be payable to Carbine upon completion:

- ◆ \$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.





## Corporate

Cash at bank as at 31 March 2012 was \$5.6 million.

On 18 January 2012 Carbine announced the resignation of Aoife McGrath as Executive Director – Exploration and the appointment of Company Secretary, Grant Mooney as a Non-Executive Director of the Company.

On 22 February 2012 Carbine announced Peter Sheehan as Managing Director.

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

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*The information in this report that relates to exploration results is based on information compiled by Peter Sheehan who is a member of the Australian Institute of Mining and Metallurgy. Peter Sheehan is employed by Carbine Resources Ltd. Peter Sheehan 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". He consents to the inclusion of the matters based on information in the form and context in which it appears.*

