



CARBINE RESOURCES LIMITED



June 2012 Quarterly Report

Highlights

Ouahigouya Gold Project – Burkina Faso

- ◆ Results from reverse circulation (RC) drilling under gold mineralisation in aircore drilling at Nazala has identified primary gold mineralisation on seven (7) sections, extending over more than 1 kilometre strike. Best results include:
 - ◆ 12m at 1.70g/t gold from 48m (NZRC051);
 - ◆ 6m at 8.59g/t gold from 98m (NZRC053); and
 - ◆ 5m at 4.04g/t gold from 119m (NZRC008).
- ◆ Initial reconnaissance aircore drilling of gold anomalism in geochemistry at the Foufaka Prospect on the Kandy Permit identified multiple, large down hole gold mineralisation zones. Best results include:
 - ◆ 10m at 3.50g/t gold from 12m (KDAC216);
 - ◆ 32m at 0.73g/t gold from 2m (KDAC283);
 - ◆ 11m at 1.17g/t gold from 34m (KDAC057);
 - ◆ 10m at 1.02g/t gold from 12m (KDAC241);
 - ◆ 16m at 0.63g/t gold from 16m (KDAC278);
 - ◆ 14m at 0.86g/t gold from 30m (KDAC054); and
 - ◆ 6m at 2.37g/t gold from 22m (KDAC168).

Corporate

- ◆ Cash at bank at 30 June 2012 was \$4.5 million.
- ◆ AGM held on 31 May 2012. All resolutions passed on a show of hands

Fast Facts

Ordinary Shares

Shares on Issue 140,017,394

Market Capitalisation and Current Cash

Market capitalisation
(at \$0.031) \$4.3 million
Cash 30 June 2012 \$4.5 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

- 1,932km² highly prospective ground in Burkina Faso, West Africa

Key Project

Ouahigouya Gold Project

- 1,932km² 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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Ouahigouya Gold Project, Burkina Faso

The Ouahigouya Project is located in the Houde Greenstone Belt in northwest Burkina Faso (West Africa) and consists of a contiguous land holding of 1,932 km² 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.

During the quarter 198 grab samples were collected during regional reconnaissance mapping on over 1,400 km² of regional permits (Table 1).

Table 1 Ouahigouya Gold Project - Exploration Activities during June Quarter 2012

Exploration Activity	
Reconnaissance sampling	198 samples
Reconnaissance Mapping	~1,450 km ²

Madougou & Kandy Permits (Ampella Joint Venture Permits)

Madougou Permit

Nazala Prospect

Results were received during the quarter for fifty (50) RC drill holes for 7,485m completed in December 2011 and early January 2012 on the Nazala Prospect (Figure 3). Drilling targeted previous gold mineralised intersected in aircore drilling in several sub parallel zones over 1.6km in strike (ASX: 29 August 2011). Mineralised intercepts include:

- 12m at 1.70g/t gold from 48m (NZRC051);
- 6m at 8.59g/t gold from 98m (NZRC053); and
- 5m at 1.14g/t gold from 55m and 5m at 4.04g/t gold from 119m (NZRC008);
- 4m at 1.09g/t gold from 50m (NZRC009);
- 4m at 1.08g/t gold from 54m (NZRC031);
- 3m at 1.11g/t gold from 70m (NZRC034);
- 3m at 1.11g/t gold from 105m (NZRC055).
- 2m at 8.80g/t gold from 18m and 1m at 2.37g/t gold from 65m (NZRC016);
- 2m at 6.34g/t gold from 56m and 1m at 9.16g/t gold from 119m (NZRC007);
- 2m at 1.68g/t gold from 114m (NZRC026);
- 2m at 1.59g/t gold from 151m (NZRC033); and
- 2m at 1.65g/t gold from 120m (NZRC050).

Whilst down hole widths of mineralisation are generally not as wide as earlier aircore intercepts, the drilling confirms the presence of primary mineralisation in the fresh rock on seven (7) sections, over a strike length greater than 1 kilometre (Figure 3). Mineralisation is still open for another 500m to the northeast (approaching the Goussirdou Prospect) and 300m to the southwest. More RC drilling is required to define the full extent of gold mineralisation prior to any resource definition drilling on the area.



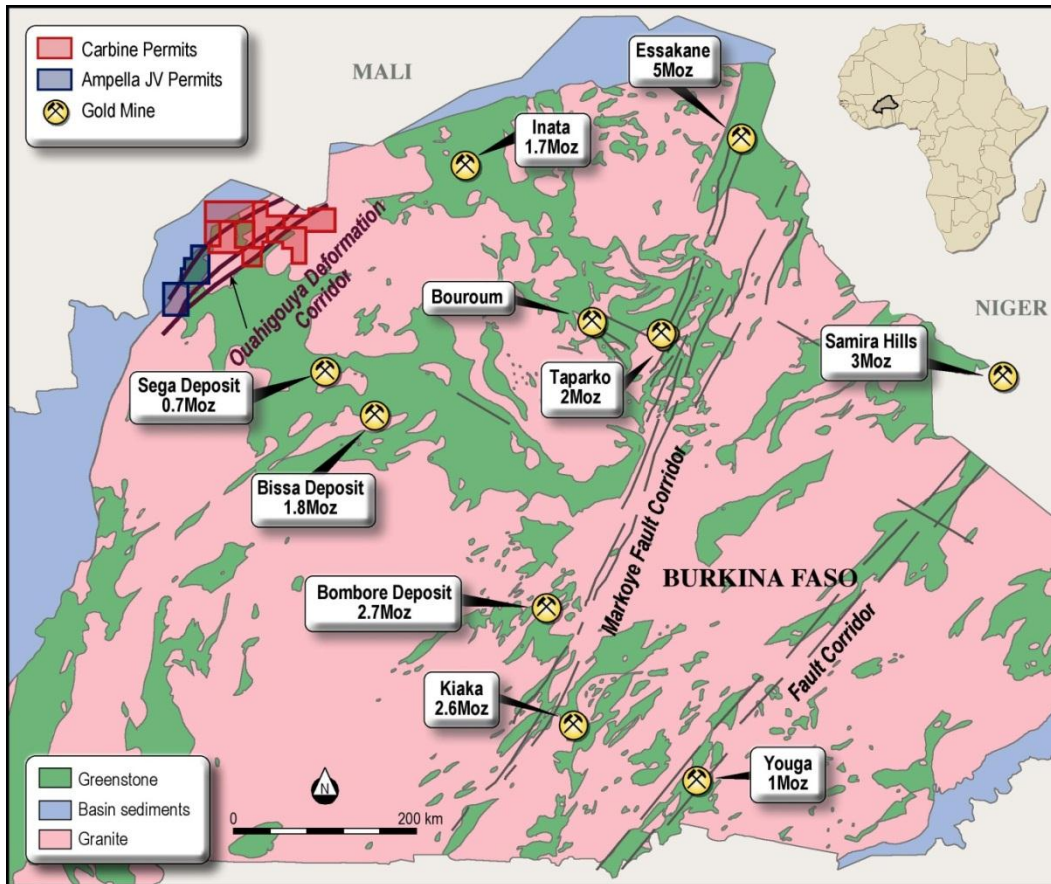


Figure 1 Diagram showing the location of the Madougou Project in Burkina Faso.

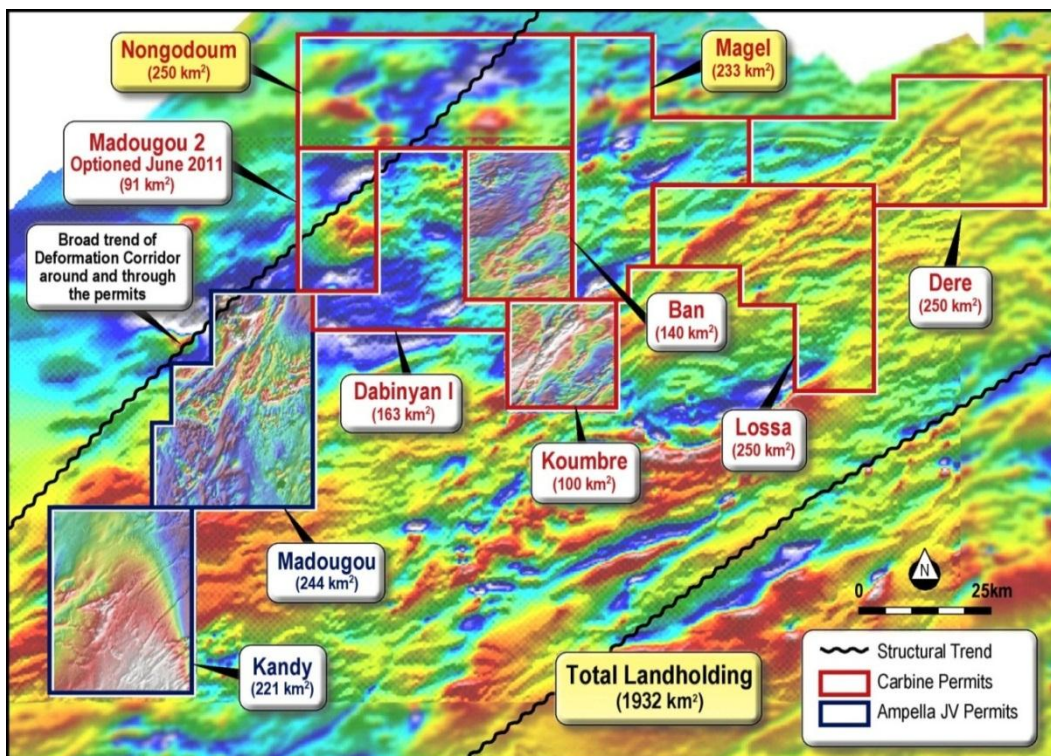


Figure 2 Location and area of Carbine Permits on reduction to the pole (RTP) magnetics image.

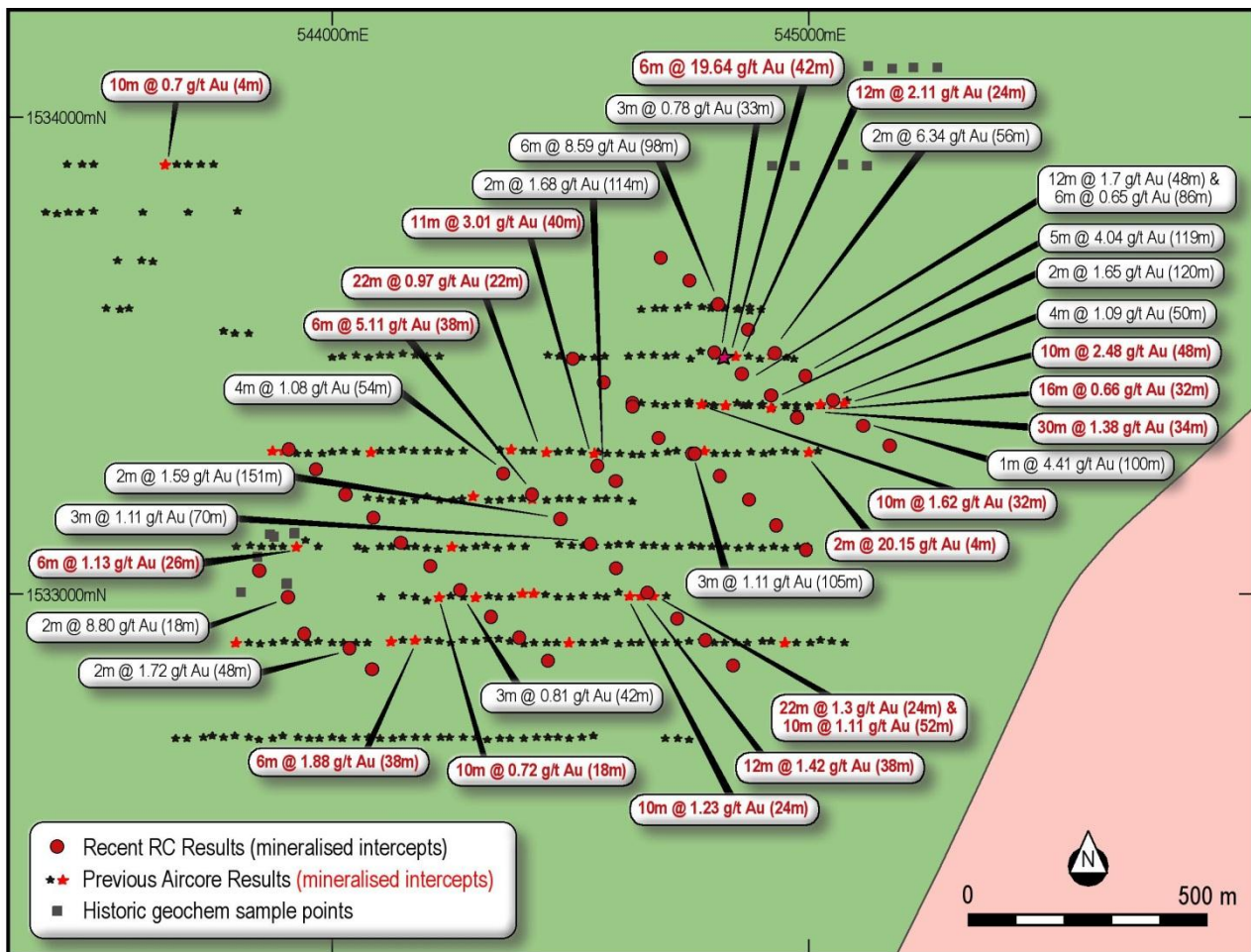


Figure 3 Nazala: Mineralised intercepts location map of recent RC drill holes (blue squares) over previous Aircore drilling (grey stars). Figure shows that mineralisation is still open to northeast and southwest.

Kandy Permit

Results were also received during the quarter from a total of 305 aircore drill holes for 16,332m completed in January and February 2012. Drilling targeted a large gold geochemistry anomaly (approximately 2km in strike, over 40 ppb, up to 997 ppb), supported by low-moderate grade trench results to the north of the drilling including 5m at 0.73g/t Au. Aircore drilling was carried out on 6 sections each spaced 200m apart (Figure 4). Best results include:

- 4m at 2.02g/t gold from 36m (KDAC018)
- 2m at 3.94g/t gold from 24m (KDAC042)
- 14m at 0.86g/t gold from 30m (KDAC054)
- 11m at 1.17g/t gold from 34m (KDAC057)
- 8m at 0.65g/t gold from 10m (KDAC063)
- 6m at 1.11g/t gold from 10m (KDAC053)
- 4m at 1.53g/t gold from 14m (KDAC155)
- 6m at 2.37g/t gold from 22m (KDAC168)
- 4m at 1.77g/t gold from 32m (KDAC206)
- 10m at 3.5g/t gold from 12m (KDAC216)
- 10m at 1.02g/t gold from 12m (KDAC241)
- 10m at 0.64g/t gold from 30m (KDAC277)
- 16m at 0.63g/t gold from 16m (KDAC278)
- 32m at 0.73g/t gold from 2m (KDAC283)
- 10m at 0.73g/t gold from 8m (KDAC301)
- 4m at 6.4g/t gold from 12m (KDAC304)





Drilling identified multiple mineralised zones of quartz veining and shearing within sediments, which is interpreted from observed geology and aeromagnetics to trend northeast-southwest. The mineralisation is defined in aircore drilling over approximately 600m, with several intersections still open to the northeast and southwest.

A follow-up Reverse-circulation (RC) drill program will be planned to infill and confirm mineralisation in the fresh rock. Also, additional aircore drilling will be planned as step out drilling to identify the full strike extent of the gold mineralisation at the Foufaka Prospect. Finally, the positive results at Foufaka confirm the need for testing of several other similar sized gold geochemistry anomalies on the Kandy Prospect.

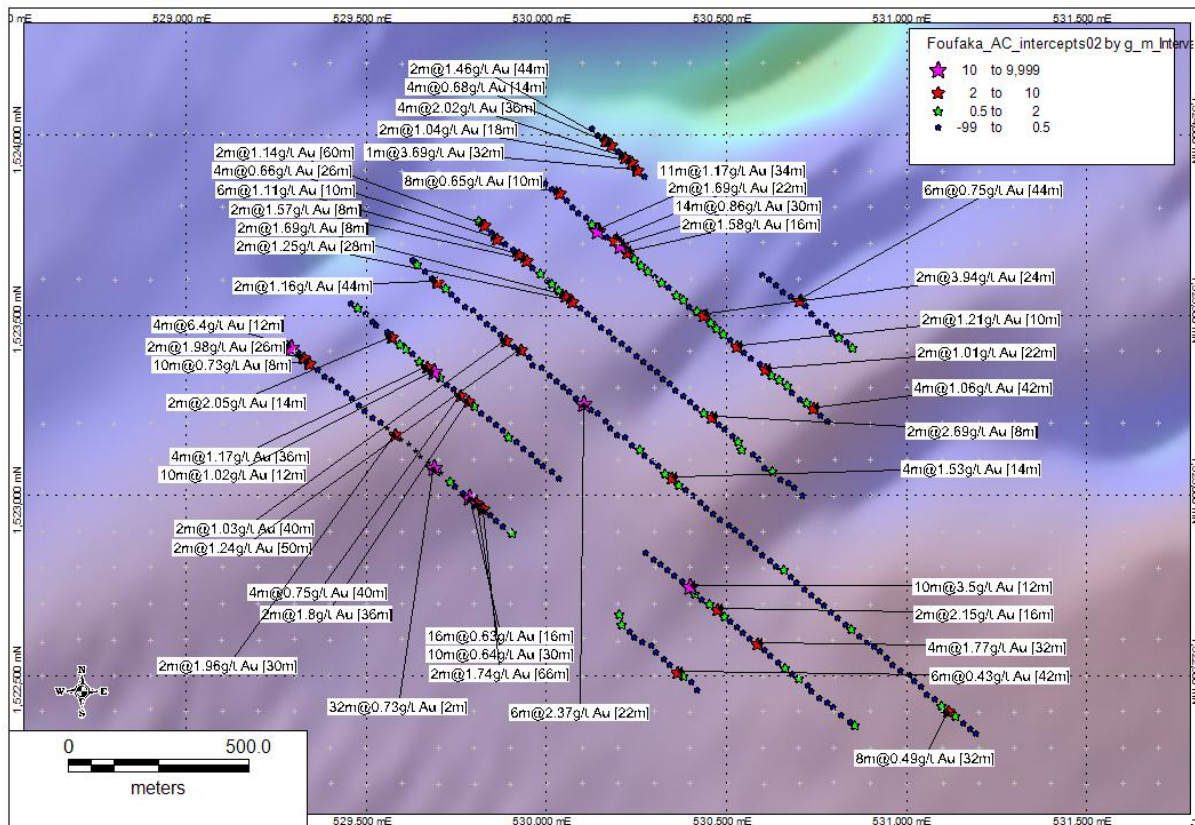


Figure 4 Foufaka Prospect: Location of mineralised gold intercepts from recent aircore drill holes (stars) overlaid on Total Magnetic Intensity (reduced to the pole). Figure shows that gold mineralisation is still open to southwest and northeast.





Regional Permits (CRB 100% or Options to acquire 100%)

Assessment of the regional permits to generate new prospects for geochem sampling and drilling is a priority for 2012. Work concentrated during first half 2012 on a broad spaced multi-element regional geochemical survey (streams-lag), reconnaissance mapping and sampling, and follow up detailed mapping.

Reconnaissance Sampling

Approximately 60 samples were collected in a Stream Sediment/Surface Lag sampling program during March quarter on Carbine's regional permits, which have previously seen very little exploration. This survey was completed in January 2012 and samples were submitted to ALS Laboratories in Ouagadougou for analysis of 25 elements using ICP-MS & ICP-AES. The multi-element data has been forwarded to an external geochemist for analysis and interpretation. This particular geochemist has expertise in using multi-element geochemistry as a vector to large ore bodies in Achaean lode-style gold deposits such as those Carbine are exploring for at Ouahigouya. This report is pending.

Reconnaissance and Detailed Mapping

Reconnaissance mapping and grab sampling of over 1,450 km² was carried out during June quarter on regional permits at; Lossa, Dere, Dabinyan I, Ban, Koumbri, Madougou 2, Nongodoum, Magel, and Siliga (Figure 2). A total of 198 grab samples were collected and submitted to the Laboratory in Ouagadougou for gold analysis. Best results to date are from Madougou2 permit with individual grab samples including; 8.26g/t, 4.43g/t, 3.30g/t, 1.88g/t, 1.72g/t and 1.26g/t. Results for the majority of samples are still pending.

Follow up detailed geologic mapping of the regional permits began in June and was completed in mid-July. Whilst outcrop in most areas is minimal, preliminary findings indicate significant areas of prospective greenstone stratigraphy previously shown on government maps as being granite. The final maps and report are pending.

Pending the report on multi-element geochemistry and geologic maps, Carbine will prioritise regional permits for more detailed geochemistry sampling in our quest to generate additional advanced prospects for drilling.

Red Dam Gold Project, Western Australia

The Company continues to work with Phoenix Gold Limited (ASX:PXG) to complete the sale of its Red Dam tenement (M16/344). Settlement is expected to be completed in the July quarter.

Corporate

Cash at bank as at 30 June 2012 was \$4.5 million.

On 31 May 2012, the Company held its Annual General Meeting with all resolutions passed on a show of hands.





CARBINE RESOURCES
LIMITED

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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.

