



CARBINE RESOURCES
LIMITED



December 2012 Quarterly Report

Ouahigouya Gold Project, Burkina Faso

The Ouahigouya Gold Project is located in an outlier of the Hounde Greenstone Belt in northwest Burkina Faso (West Africa) and consists of a contiguous land holding of 1,207 km² comprising seven (7) granted Exploration Permits; Madougou, Kandy, Ban, Koumbri, Madougou 2, Nongodoum, and Magel (Figure 1 & 2, Table 1). Additionally, there are two pending permit applications at Siliga and Ingara.

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.

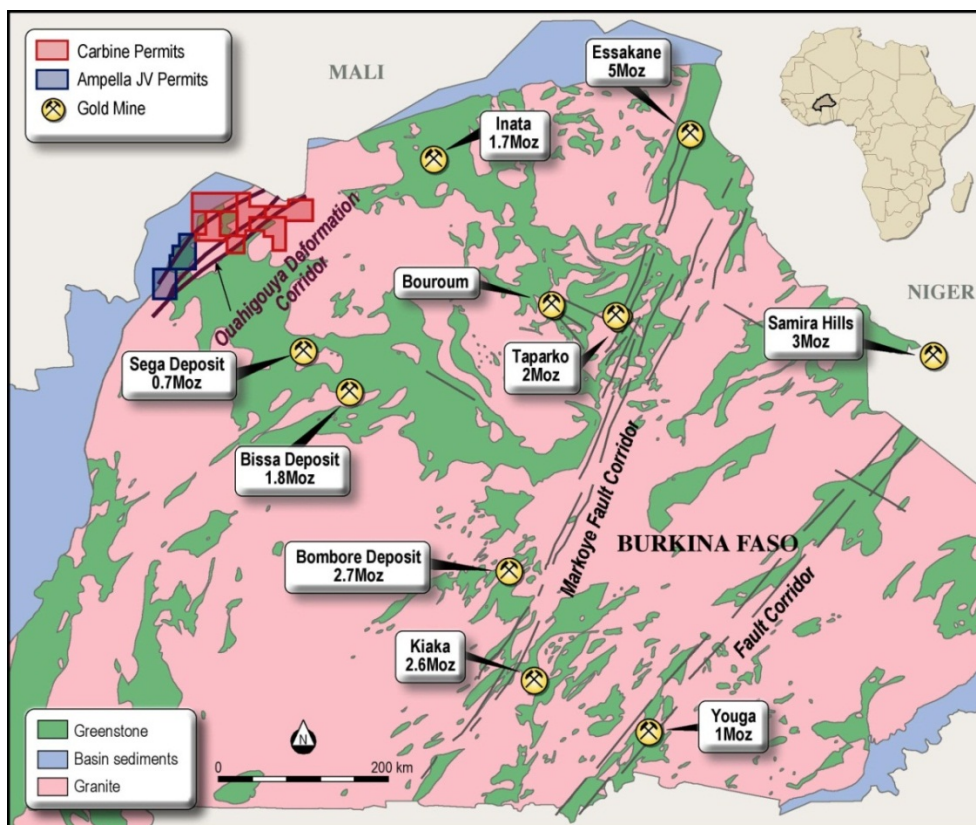


Figure 1 Ouahigouya Gold Project location map (Burkina Faso).

Fast Facts

Ordinary Shares

Shares on Issue 140,017,394

Market Capitalisation and Current Cash

Market capitalisation
(at \$0.042) \$6 million
Cash 31 Dec 2012 \$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

- 1,207km² highly prospective ground in Burkina Faso, West Africa

Key Project

Ouahigouya Gold Project

- 1,207km² 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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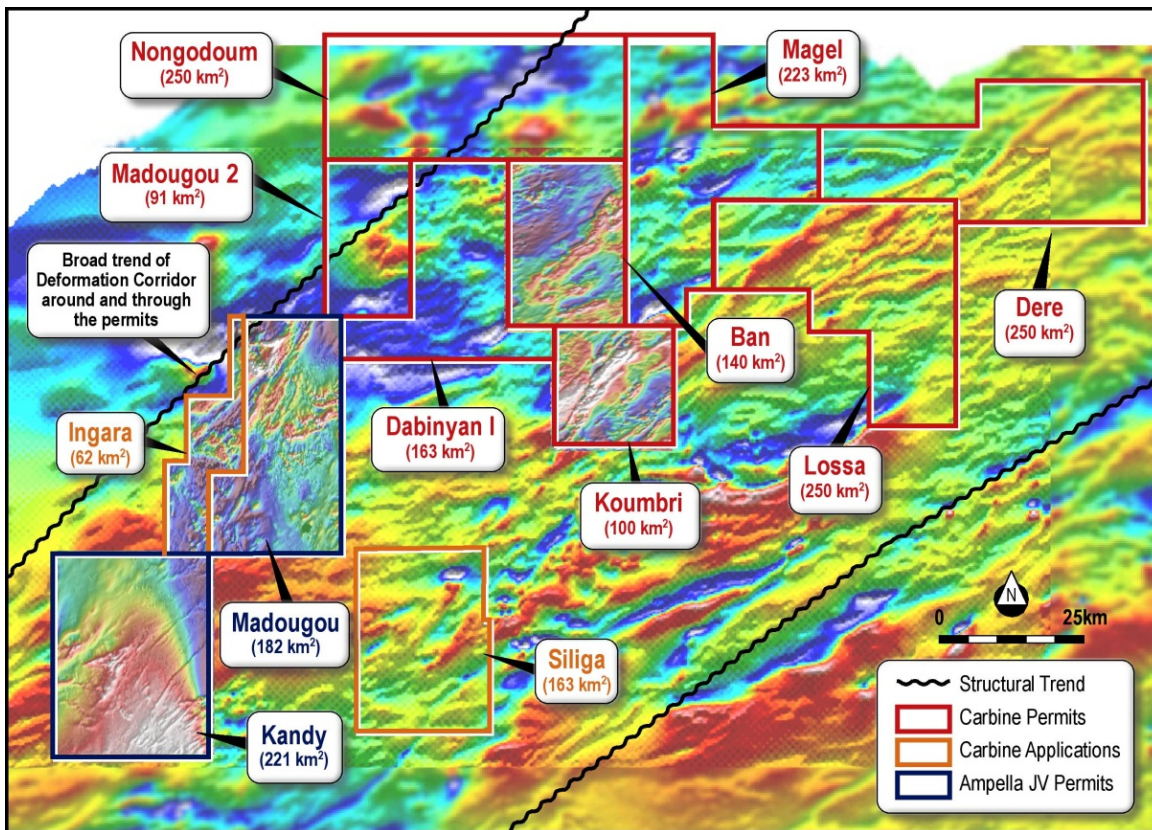


Figure 2 Ouahigouya Gold Project – Permit locations within Ouahigouya Deformation Corridor and surface areas (7 granted permits, 2 applications, and 3 terminated option areas).

Table 1 Schedule of Exploration Permits at 31 December 2012.

Permit	Number	Area (km ²)	Interest
Madougou	12-162	182	Can earn 80% (Ampella JV)
Kandy	10-100	221	Can earn 80% (Ampella JV)
Nongodoum	11-213	250	100% Carbine
Magel	11-214	223	100% Carbine
Ban	08-092	140	Option to Acquire 100%
Koumbri	08-090	100	Option to Acquire 100%
Madougou 2	11-052	91	Option to Acquire 100%
Total Granted		1,207	
Permit	Number	Area (km ²)	Interest
Siliga	application	163	Option to Acquire 100%
Ingara	application	62	100% Carbine
Total Applications		225	



Field activities from October were restricted to the Company's sample facility in Thiou and regional office in Ouahigouya due to heightened security situation in areas bordering Mali. This impacted productivity. Magnetic susceptibility readings were completed on 2012 reverse circulation and aircore drilling.

During October a regional targeting exercise was completed. The exercise focused on Madougou 2, Siliga and Koumbri permits. Prospectivity was assigned to prospects based on the presence/absence of five (5) key criteria, namely; existence of regional NE trending mineralised structure, structural complexity (faults, folds, flexures etc.), presence of gold (artisanal workings and/or geochem), rheological contrast, and presence of chemical contrast/trap (Fe-rich rocks, carbonaceous shale etc.). Several prospects ranked highly, most notably an area containing workings which is situated just south of Madougou village on the Madougou 2 permit.

Following this, Carbine began a strategic review of the Ouahigouya Gold Project to estimate a possible resource inventory (non JORC compliant) on the Madougou JV permits. The Board are looking for obvious potential of >1M ounces of combined resources in the advanced prospects at Goussirdou, Nazala, Nimbo, and Kandy prior to committing more money towards exploration or resource definition. This process will be completed during January quarter 2013.

Three (3) Option Agreements at Dabinyan I, Lossa and Dere (Figure 2) came due for annual payments during the quarter. Based on the results of regional reconnaissance geochem and detailed geologic mapping a decision was made not to continue with the option agreements.

Corporate

During the quarter the Company looked at several new opportunities (both gold and non-gold). In assessing their suitability there is a strong preference for; JORC compliant resources, significant land holding with exploration upside, and a proposed timeline to production (cash flow).

During the quarter the Company sold 4 million shares in Phoenix Gold Limited for total consideration of \$1.4 million. The Company still holds 4 million shares in Phoenix Gold.

Carbine is in a strong financial position with \$5 million cash in the bank at 31 December 2012, and liquid stock of 4 million shares in Phoenix Resources Limited (ASX Code: PXG) which could generate an additional \$1 million at CMP (\$0.29 30 Jan 2013) if required. This puts the Company in a strong position going forward to fund exploration on the current project or complete an acquisition.

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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.

