



CARBINE RESOURCES LIMITED

ASX / MEDIA ANNOUNCEMENT

23 December 2015

CARBINE & GR ENGINEERING ENTER STRATEGIC PARTNERSHIP FOR MOUNT MORGAN DEVELOPMENT

Highlights

- ◆ **DFS awarded to GR Engineering, commencing immediately**
- ◆ **GR Engineering to become Carbine's largest shareholder via \$750,000 placement**
- ◆ **Strategic MOU for EPC or BOO(T) structures for Mount Morgan development**
- ◆ **5,000m JORC drilling program to start in early 2016**

Carbine Resources Limited (ASX: CRB) (Carbine or Company) is pleased to announce the execution of a binding Memorandum of Understanding (MOU) with GR Engineering Services Limited (GRES) (ASX: GNG) in relation to engineering design and construction activities at the Mount Morgan Gold & Copper Project (Project).

The MOU, which includes a strategic placement of 12,500,000 Carbine shares to GRES at an issue price of \$0.06/share, is a strong vote of confidence in Carbine's plans for near term construction and operations at Mount Morgan. The placement, once completed, will see GRES become the largest shareholder in Carbine, owning 8.2% of the Company's shares on a post transaction basis.

As part of the MOU, GRES has been awarded the Definitive Feasibility Study (DFS) for the Mount Morgan Gold & Copper Project, which will commence immediately. The DFS will be completed to an accuracy of -5%/+10% and will focus on the final feasibility activities required for the Project prior to sourcing mine development financing and ultimately making the decision to mine. GRES will leverage off the successful results of the recently completed Prefeasibility Study (PFS) for Mount Morgan to expedite delivery of the DFS within the H1 2016.

In addition to the placement and DFS award, Carbine and GRES have agreed to a long term relationship to progress the Project through final feasibility and into engineering design, construction, commissioning and potentially operations. Under the terms of the binding MOU, GRES has an exclusive first right to provide engineering, design and construction services for the Project, including:

- engineering, procurement and construction (EPC) services; or
- build, own and operate (BOO) or build, own, operation and transfer (BOOT) services for construction and operation of the proposed processing plant.



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The MOU is legally binding and confirms the intention of Carbine and GRES to enter into formal agreement(s) for the provisions of services associated with the development of the Project. The terms of any contract for project development will be established on completion of the DFS, once the capital requirements and the overall value proposition of the Project have been finalised.

The placement to GRES is expected to be completed on or around the 28th of December 2015, utilising Carbine's available placement capacity.

In addition to the DFS, the board of Carbine has also approved a 5,000m drilling program at the Project. This program will target the expansion of the existing resource base and improvement in quality of resource definition. The drilling will ultimately seek to maximise the conversion of JORC Indicated resources into JORC reserves.

Carbine will update the market as material developments within the DFS and drilling program occur.

For further information, please contact:

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GR Engineering Limited Overview

GR Engineering is a leading engineering consulting and contracting company that specialises in providing high quality engineering design and construction services to the mining and mineral processing industries.

The company's services cover all aspects of the project life cycle from the initial evaluation and study phase through to design, construction, commissioning and operational support.

With origins dating back to 1986, GR Engineering has experienced consistent growth and has established itself as a market leader with an excellent reputation for delivering projects on time, on budget and to guaranteed design performance.

The company has achieved this strong performance while maintaining a high level of occupational health and safety and environmental standards.

GR Engineering has a proven track record of delivering integrated project solutions having provided services in over 20 countries for a vast range of precious, bulk and industrial commodities.

Headquartered in Perth, Western Australia, GR Engineering also has offices in Brisbane and Indonesia with further operational establishment in Ghana, Mali, the Ivory Coast and the United Kingdom. The GR Engineering group employs a dedicated workforce of over 300 professional, technical, managerial, supervisory and support personnel, in addition to directly employed site construction personnel and subcontractors.