



**CARBINE RESOURCES**  
LIMITED

ASX / MEDIA ANNOUNCEMENT

13 April 2016

## **Carbine appoints highly experienced Board and Management team to drive Mount Morgan Gold-Copper Project in Queensland**

*Northern Star Resources Director John Fitzgerald and former Atherton Resources and Mutiny Gold chief Tony James to spearhead development of the Mount Morgan Gold and Copper Project*

**Carbine Resources Limited (ASX: CRB)** is pleased to announce the appointment of an experienced mining executive team who will drive development of the Mount Morgan Gold and Copper Project in Queensland.

The appointments comprise:

- John Fitzgerald as Non-Executive Chairman,
- Anthony (Tony) James as Managing Director,
- Graham Brock as Non-Executive Director, and
- Chris Newman as Geology Manager.

Carbine completed a pre-feasibility study (PFS) on the proposed gold and copper tailings retreatment operation at Mount Morgan near Rockhampton last year (ASX: 13 August 2015), which confirmed the potential for a low-cost operation with a minimum eight-year life.

Under the scenario outlined in the PFS, Mount Morgan would produce an average of 31,200oz of gold, 3,200 tonnes of copper sulphate and 211,000 tonnes of pyrite per annum.

The capital cost was estimated to be A\$63.3 million and all-in sustaining costs were forecast to be US\$234/oz after copper and pyrite credits, providing potential for the Project to become one of the lowest cost gold operations in Australia.

The Project currently has a total JORC Resource base of 8.4 million tonnes at 1.23gpt gold and 0.15 per cent copper for 329,000 ounces of gold and 12,300 tonnes of copper. Carbine is currently completing an infill drilling program designed to upgrade the Project's JORC Resource base as part of the Definitive Feasibility Study (DFS).

The Company has entered into a strategic partnership with GR Engineering (ASX: 23 December 2015) under which GR has agreed to complete the DFS.



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Mr James said the new team would immediately undertake a review of the Project while continuing to progress finalisation of the DFS, including optimisation of various operational parameters such as plant throughput and project development timing. This review will enable Carbine to consider the various funding options and timing associated with project development and subsequent production.

“Our team is attracted to Mount Morgan’s strong potential to be an extremely low-cost gold producer within a short time,” he said.

“All the key pieces are in place, with extensive JORC Resources and proven metallurgy. We will continue to progress finalisation of the DFS currently underway, while also conducting a review of the data with respect to the development strategy to ensure we can generate the maximum return for shareholders from this outstanding opportunity.”

“The short and long term opportunities associated with Mount Morgan were impossible to overlook during our due diligence of the asset.”

“The selected processing technology for the successful extraction of gold, copper and pyrite from the Mount Morgan tailings is readily available and represents a logical and commercial direction for this Project and potentially other dormant Australian projects.”

### ***The Team***

Mr James is a mining engineer with considerable operational, project development and corporate experience including recent roles as Managing Director of Atherton Resources (ASX: ATE) and Mutiny Gold (ASX: MYG). At Atherton Resources he achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At Mutiny he led the implementation of a revised development strategy for the Deflector copper-gold deposit in WA that resulted in the successful merger of Mutiny Gold and Doray Minerals (ASX: DRM).

Prior to these roles, Mr James held a number of executive positions with international gold producer Alacer Gold Corporation, including President of its Australian operations following the merger between Anatolia Minerals (TSX: ANO) and Avoca Resources (ASX: AVO) in 2011. He also played a key role in Avoca’s initial growth and success, leading the feasibility and development of the Higginsville Gold Operations.

Mr Fitzgerald is an experienced mining and finance executive and is also a non-executive director of Northern Star Resources Limited (ASX: NST), Danakali Limited (ASX: DNK) and Dakota Minerals Limited (ASX: DKO). Prior to these roles, Mr Fitzgerald was previously Chairman of Integra Mines and Atherton Resources and has held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals.

Mr Brock is a metallurgist with over 40 years’ experience in the mining industry, and in particular gold and base metal projects. He has been involved in the full range of mine development activities from feasibility through construction, commissioning and operations. Mr Brock has been previously involved in development of several successful gold mines including Golden Crown, Westonia, Wirralie, Waihi, Big Bell, Mt Hogan, Salsigne and Stawell. Within the base metal sector, he was also



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part of the successful development of Mt Keith, Lake Johnston, Kambalda, Honeymoon Well, Black Swan, Golden Grove, Wheal Jane and Namosi.

Mr Newman is a geologist with considerable experience in both exploration projects and mining operations including greenfields exploration. He was previously Geology Manger for Atherton Resources prior to the takeover by Auctus minerals. Prior to this, Mr Newman was Executive Vice President/Chief Exploration and Geology Officer for Alacer Gold. He was also Manager Geology for Avoca Resources and was credited with the discovery and growth of the Trident gold ore body at Higginsville. He has also held a number of senior geological and management positions, including roles with WMC and BHP Billiton.

### ***Placement***

In conjunction with the Board and Management changes the Company has agreed a placement of 3.33 million shares at 15 cents to the incoming Board members, executives and their associates. The issue price represents a 9.9% discount to the 30 day VWAP.

### ***Previous Board Member Movements***

As part of the Board evolution for the Mount Morgan operations phase, Mr Stephen Dobson and Mr Tom Bahen have resigned from the Board. The Company would like to acknowledge the strong contribution they have made over the last few years.

Mr Patrick Walta has also stepped down from the Board, however he will remain with the Company as Principal Consultant and continue to assist in development of the Project.

Mr Evan Cranston will remain on the Board as Non-Executive Director.

### ***Managing Director Appointment Terms***

The contractual terms of Mr James' appointment are set out below:

Remuneration:

- Total Fixed Remuneration (TFR): \$300,000 per annum plus statutory superannuation
- Short Term Incentive: Maximum 50% of TFR
- Long Term Incentive: Performance Rights subject to shareholder approval

Notice Period for Termination

- By the Employee: 6 months
- By the Company (Prior to production): 6 months
- By the Company (Post production): 12 months
- Maximum Termination Payment (Prior to production): 6 months TFR
- Maximum Termination Payment (Post production) 12 months TFR

**ENDS**



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## ***For further information:***

### **Investors**

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### **Media**

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### **Competent person statement**

The information in this report that relates to the production target detailed in the PFS is extracted from Carbine's announcement of 13 August 2015. Carbine confirms that all the material assumptions underpinning the production target as disclosed in the previous announcement continue to apply and have not materially changed.

JORC Resources (Tailings)	Tonnes (000s)	Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Indicated	2,487	1.59	0.16%	127,000	3,900
Inferred	5,861	1.07	0.14%	202,000	8,400
<b>TOTAL JORC</b>	<b>8,348</b>	<b>1.23</b>	<b>0.15%</b>	<b>329,000</b>	<b>12,300</b>

The Indicated and Inferred Resources referred to above were presented by Norton Gold Fields Limited at the Mining 2009 Resource Convention (Brisbane). The presentation was released to the ASX on 28 October 2009.

The information in this report that relates to the Mineral Resources of the Mount Morgan Mine project was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM") and has a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation, and report preparation. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.